

DAILY REPORT

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NAKASONE WELCOMES OUTCOME OF G-5 MEETING

OW2000343 Tokyo KYODO in English 0308 GMT 20 Jan 86

[Text] Tokyo, Jan. 20 KYODO -- Prime Minister Yasuhiro Nakasone Monday welcomed the outcome of the just-ended "G-5" meeting in London despite its failure to agree on a Japanese proposal for concerted interest rate cut.

Nakasone, speaking at a gathering of industrial and labor leaders in Tokyo, said the agreement reached in London to cooperate closely over interest rate policy "is a desirable thing."

Nakasone's comment came a day after the finance ministers and central bankers of five major industrial nations -- Japan, the United States, Britain, France and West Germany -- ended a two-day meeting Sunday on ways to steer the world's monetary policy.

Nakasone, himself an advocate of a concerted interest rate cut, noted that the meeting had recognized that lower interest rates would lead to a relaxation of world-wide inflationary pressure and contribute to price stability.

Japan will continue to press for concerted action to lower official discount rates both as a means of softening the economic hardships suffered by the developing nations and to stimulate domestic demand in the economies of the developed nations, he said.

However, Nakasone conceded that each nation should act on interest rates "on the basis of sovereignty and independent judgment."

The remark reflected opposition by monetary authorities in the United States and some countries in Western Europe to joint action on the discount rate.

OBA ON G-5 COOPERATION TO LOWER INTEREST RATES

OW221217 Tokyo KYODO in English 1147 GMT 22 Jan 86

[Text] Tokyo, Jan. 22 KYODO -- Tomomitsu Oba, vice finance minister for international affairs, said Wednesday that central banks of the Group of Five (G-5) industrial nations will continue their mutual cooperation on the question of concerted action to lower their interest rates. Oba reported to Prime Minister Yasuhiro Nakasone that this was agreed among the countries when their finance ministers and central bank governors met in London Saturday and Sunday.

At the meeting, Japan called for such joint action as a means of preventing a slow-down of the world economy but the five nations -- Japan, the United States, Britain, France and West Germany -- were reported to have failed to reach a definite agreement on the question.

Oba also reported to Nakasone that opinions were divided among the nations on such matters as U.S. Treasury Secretary James Baker's plan to provide new loans totaling 20 billion dollars to indebted developing nations and possible admission to the Group of Five of Italy and Canada. The G-5 countries agreed, however, to continue studies on these problems, Oba said.

FURTHER REPORTAGE ON EC PRESIDENT'S TOKYO VISIT

Meets With Keidanren's Inayama

OW221043 Tokyo KYODO in English 1037 GMT 22 Jan 86

[Text] Tokyo, Jan. 22 KYODO -- Jacques Delors, president of the European Community (EC) Commission, said Wednesday that Japan should step up its efforts to buy more from the EC nations rather than curb its exports as a means of redressing the current bilateral trade imbalance. Delors, here since Monday on a five-day visit, made the statement when he conferred with Yoshihiro Inayama, chairman of the Federation of Economic Organizations (Keidanren), and other federation executives.

Inayama said a reduction of Japan's trade surplus with the EC cannot be achieved by "ordinary" means. He said it is necessary to seek cooperation of various industries, suggesting that Japan should exercise voluntary restraints on its exports to the EC.

Delors said, however, that the EC does support the idea of achieving a trade balance through export curbs. Japan should redouble efforts to expand imports to help stem a possible mounting of protectionist sentiment in the EC, he was quoted as saying. Delors also said Japan should assume an appropriate responsibility to the international community.

Meets With Watanabe on Imports

OW221215 Tokyo KYODO in English 1120 GMT 22 Jan 86

[Text] Tokyo, Jan. 22 KYODO -- Jacques Delors, visiting European Community (EC) Commission president, and Japan International Trade and Industry Minister Michio Watanabe agreed Wednesday to jointly study the setting up of a committee of senior officials to review Japanese imports of EC products, Japanese officials said.

Watanabe told Delors that he basically agreed with Delors plan of establishing a committee to monitor Japanese imports from the EC when the two met for 80 minutes at a Tokyo hotel, the officials said. But Watanabe said that imports by private firms are a matter solely for themselves and the Japanese Government would not be able to force them to increase imports, the officials said.

Delors first proposed the monitoring committee when he met Prime Minister Yasuhiro Nakasone Tuesday, and Nakasone basically agreed with the idea. Delors, who arrived in Tokyo Monday for a five-day visit, said he was impressed by Japanese initiatives to strengthen ties with the EC, the officials said.

Delors and Watanabe also agreed on the need for deepening the trilateral ties among the United States, Europe and Japan by further strengthening industrial cooperation and other projects between EC and Japan, the officials said.

Delors said it is vital for the EC and Japan to have a common understanding of international issues when the two attend international conferences this year, such as those for starting a new round of multilateral trade talks and the Tokyo summit of seven major developed nations and EC in May, the officials said.

Watanabe and Delors agreed that standardization of information-related equipment is increasingly vital between the EC and Japan to achieve Open System Interconnection (OSI), they said.

Watanabe also said Japan will further promote Japanese direct investment in the EC, the officials said. He also noted that EC-Japanese research and development cooperation projects are growing in such areas as ceramics.

FINANCE MINISTER TAKESHITA VISITS U.S.

Talks With Baker

OW220257 Tokyo KYODO in English 0231 GMT 22 Jan 86

[Text] Washington, Jan. 21 KYODO -- U.S. Treasury Secretary James Baker Tuesday criticized Japan's latest measures to help smaller industries overcome the possible impact of the recent appreciation of the yen against the U.S. dollar. In a meeting with Japanese Finance Minister Noboru Takeshita in Washington, Baker said any measures to strengthen the international competitiveness of export industries are not advisable, Japanese officials said.

Japan has earmarked a total of 100 billion yen for fiscal 1986 starting in April to rescue smaller industries hit by the stronger yen, which has appreciated about 20 percent against the U.S. dollar since last September. Takeshita told Baker that the measures mainly involve loans to the smaller businesses severely hit by the yen's appreciation to help change to other lines of business or completely stop their present trade, the officials said.

The U.S. secretary also asked Japan to restrict tied loans to developing countries and make terms of its proposed treasury bills attractive to investors, they said. Takeshita was quoted as saying that he will keep in close touch with other related government agencies on the aid issue.

The Japanese minister is now visiting Washington after attending a meeting of finance ministers and central governors of five major industrial countries, commonly known as the Group of Five (G-5), in London last weekend. He told reporters after his meeting with Baker that the group agreed that inflation is now slowing down and the circumstances for lower interest rates have improved. But he indicated the five countries had failed to agree on coordinated action to lower interest rates, saying that West Germany has already lowered its interest rates substantially and that Britain must defend the pound to avoid damage from lower oil prices.

Meets With Reagan on Aviation

OW230107 Tokyo KYODO in English 0054 GMT 23 Jan 86

[Text] Washington, Jan. 22 KYODO -- In a rare reference to a specific trade dispute, President Ronald Reagan urged Japan Wednesday to swiftly resolve the question of allowing United Airlines (UA) to launch the trans-Pacific service it acquired from Pan American Airways. Reagan made the appeal during a courtesy call by Japanese Finance Minister Noboru Takeshita, here on his way home from a meeting of the five largest industrial democracies in London Saturday and Sunday. Takeshita later told reporters he promised Reagan to do his best to resolve the issue "in a friendly manner" on his return to Tokyo.

UA said Tuesday it has postponed its planned January 28 takeover of Pan Am's trans-Pacific operations due to a dispute over the transfer of Pan Am's landing rights in Japan to UA. The dispute has stalled civil aviation talks between the two countries. Japan is demanding increased cargo flights to the U.S. in return for granting UA landing rights.

Speaks at Columbia University

OW230315 Tokyo KYODO in English 0252 GMT 23 Jan 86

[Text] New York, Jan. 22 KYODO -- Japanese Finance Minister Noboru Takeshita said Wednesday industrialized countries should play a more positive role in solving the problems of debt-burdened developing countries. Takeshita made seven proposals in a speech at Columbia University, which granted him an honorary doctorate in law for his contribution to adjustments of monetary and fiscal policies of industrial countries. "Developed countries have become preoccupied with their own economic problems at the expense of attention to north-south issues," he said.

Takeshita urged developed countries to expand their domestic economies, lower interest rates, roll back protectionist pressure, promote the liberalization of financial and capital markets, increase aid to developing countries, create a more solid financial base for multilateral development banks and improve the banks' efficiency.

Takeshita stopped over in the United States on his way home after a meeting in London last weekend of finance ministers and central bankers from five industrialized countries.

Takeshita is the third Japanese citizen to receive an honorary doctorate from Columbia, following former Prime Minister Takeo Miki and novelist Kobo Abe.

TEAM CONCLUDES U.S. SDI RESEARCH FACILITIES TOUR

OW230405 Tokyo KYODO in English 0358 GMT 23 Jan 86

[Text] Washington, Jan. 22 KYODO -- The head of a Japanese delegation visiting the United States to tour Strategic Defense Initiative (SDI) research facilities said in Washington Wednesday that the one-week tour has been useful in determining the problems involved in SDI development. Foreign Ministry official Ryoji Onodera, leading the second Japanese SDI team to the United States, said that the delegation was briefed in detail by U.S. officials on research and development plans. "As a result, we were able to get an idea of where the emphasis will be located in SDI research," Onodera pointed out.

Onodera, councillor at the ministry's Information Analysis, Research and Planning Bureau, and his team met and exchanged views with Lt. Gen. James Abrahamson, director of the U.S. SDI organization, and other U.S. officials at the Pentagon Wednesday.

The U.S. side repeated that Washington would welcome Japan's participation in the SDI research, according to Onodera. But the U.S. side made no particular mentions on what fields of technology the U.S. would want Japan's cooperation, he said.

Following their January 15 arrival in the U.S., the nine-member Japanese team toured private sector research facilities in Pennsylvania and California, as well as the U.S. military research complex in Alabama.

The second team, following the first Japanese delegation which visited this country last September to investigate mainly legal aspects of SDI, will immediately draw up a detailed report to be presented to Prime Minister Yasuhiro Nakasone and ministry heads, according to Onodera.

SHEVARDNADZE SIGNS AGREEMENTS; CONCLUDES VISIT

Visits Children's Palace

SK221036 Pyongyang KCNA in English 1026 GMT 22 Jan 86

[Text] Pyongyang January 22 (KCNA) -- E.A. Shevardnadze, member of the Political Bureau of the Central Committee of the Communist Party of the Soviet Union and minister of foreign affairs of the USSR, and his suite members visited the Pyongyang Students and Children's Palace on January 22.

The guests were accompanied by Kim Yong-nam, member of the Political Bureau of the Central Committee of the Workers' Party of Korea, vice-premier of the Administration Council and foreign minister, Kim Hyong-yul, vice-minister of foreign affairs, and others. They appreciated a performance given by art circle members there.

Shevardnadze wrote in the visitor's book: The Pyongyang Students and Children's Palace clearly proves that the workers' party of Korea pays deep attention to educating the younger generation in fidelity to socialism and proletarian internationalism. We believe that the Korean children will contribute to the prosperity and development of their beautiful country in the future.

He presented a souvenir to the Pyongyang Students and Children's Palace.

Signs Water Boundaries Treaty

SK230210 Pyongyang Domestic Service in Korean 1200 GMT 22 Jan 86

[Text] A treaty on boundaries of the economic waters and the continental shelf was signed in Pyongyang today between the DPRK and the USSR. Participating in this from our side were Comrade Kim Yong-nam, member of the WPK Central Committee Political Bureau, premier of the Administration Council, and foreign minister; Kim Yong-chae, chairman of the Central Committee of the Korea-Soviet Friendship Association and minister of communications; Kim Hyong-yul and Kang Sok-chu, vice ministers of foreign affairs; Kwon Hui-kyong, our country's ambassador extraordinary and plenipotentiary in the Soviet Union; and functionaries from the sectors concerned.

Participating in this from the opposite side were Comrade Eduard Amvrosiyevich Shervardnaze, member of the Politburo of the CPSU Central Committee and foreign minister of the USSR; Mikhail Stepanovich Kapitsa, deputy foreign minister; other entourage members, and Nikolay Shubnikov, the Soviet ambassador extraordinary and plenipotentiary in our country.

Comrades Kim Yong-nam and Eduard Amvrosiyevich Shervardnaze signed the treaty.

Signs Travel Agreement

SK230221 Pyongyang Domestic Service in Korean 1200 GMT 22 Jan 86

[Text] An agreement on mutual travel of citizens was signed in Pyongyang today between the Governments of the DPRK and the USSR.

Participating in the ceremony held to sign this agreement from our side were Comrade Kim Yong-nam, member of the WPK Central Committee Political Bureau, vice premier of the Administration Council, and foreign minister; Kim Yong-chae, chairman of the Central Committee of the Korea-Soviet Friendship Association and minister of communications; Kim Jyong-yul and Kang Sok-chu, vice ministers of foreign affairs; Kwon Hui-kyong, our country's ambassador extraordinary and plenipotentiary in the Soviet Union; and functionaries from the sectors concerned.

Participating in the ceremony from the opposite side were Comrade Eduard Amvrosiyevich Shervardnadze, member of the CPSU Central Committee Politburo and foreign minister of the USSR; Mikhail Stepanovich Kapitsa, deputy foreign minister; other entourage members; and Nikolay Shubnikov, Soviet ambassador extraordinary and plenipotentiary in our country. Comrades Kim Yong-nam and Eduard Amvrosiyevich Shervardnadze signed the agreement.

Gift for Kim Il-song

SK221532 Pyongyang KCNA in English 1515 GMT 22 Jan 86

[Text] Pyongyang January 22 (KCNA) -- The great leader Comrade Kim Il-song, general secretary of the Central Committee of the Workers' Party of Korea and president of the Democratic People's Republic of Korea, received a gift from E.A. Shevardnadze, member of the Political Bureau of the Central Committee of the Communist Party of the Soviet Union and minister of foreign affairs of the USSR, on an official goodwill visit to Korea. Foreign Minister Shevardnadze handed the gift to an official concerned.

Holds Press Conference

SK221551 Pyongyang KCNA in English 1519 GMT 22 Jan 86

[Text] Pyongyang January 22 (KCNA) -- E.A. Shevardnadze, member of the Political Bureau of the Central Committee of the Communist Party of the Soviet Union and minister of foreign affairs of the USSR, on an official goodwill visit to Korea was interviewed by reporters on January 22. Noting that talks were held successfully during his visit and a treaty on the boundaries of the economic waters and the continental shelf and an agreement on mutual travel of citizens were signed between the two countries, he said: The most important moment during our stay in Korea was undoubtedly the reception by Comrade Kim Il-song and Comrade Kim Chong-il. Our meeting took place in an atmosphere of friendship and fraternity, full mutual understanding and excellent comradeship.

At the meeting and talks between us all questions arising in the Soviet-Korean relations were discussed, which involved the relations of economic cooperation, trade relations and cultural relations between the two countries and relations between their public organisations and the important questions concerning the present complicated international situation were taken up.

I note here that a complete consensus was reached at our talks and conversations. Our talks and conversations well reflect the fraternal and comradely relations existing and developing between the parties, states and leaders of the two countries. I conveyed a personal letter of Comrade Mikhail Sergeyevich Gorbachev to Comrade Kim Il-song. Comrade M.S. Gorbachev invited Comrade Kim Il-song to visit the Soviet Union. Comrade Kim Il-song invited Comrade M.S. Gorbachev to visit the Democratic People's Republic of Korea. There were other invitations between us.

I visited Korea 15 years ago. I compared changes in Korea, particularly in Pyongyang, the capital, with then. A tremendous turn has taken place, I may say. The fraternal Korean people have achieved great successes in socialist construction under the leadership of the Central Committee of the Workers' Party of Korea headed by Comrade Kim Il-song. This time we visited the wonderful grand people's study house and had opportunities of meeting workers, farmers, youths and children and chatting with them. These meetings were, indeed, meetings between brothers and between comrades and comrades-in-arms who are advancing toward the same goal. I believe that the friendship and fraternity between the Soviet Union and Korea will grow in scope and strength and develop in this spirit. The fraternal sentiments existing between our parties and our leaders will become deeper, I think. I got the best impressions from my visit to the fraternal Democratic People's Republic of Korea.

On this occasion, I convey most cordial greetings and wishes to the Central Committee of the Workers' Party of Korea headed by Comrade Kim Il-song and to the entire Korean people in the name of Comrade Gorbachev, the Central Committee of the Communist Party of the Soviet Union, the Soviet Communists and the Soviet people.

Departs Pyongyang

SK231006 Pyongyang Domestic Service in Korean 0900 GMT 23 Jan 86

[Text] Comrade Eduard Amvrosyevich Shevardnadze, member of the CPSU Central Committee Politburo and USSR foreign minister, who has visited our country on an official friendship visit at the invitation of the WPK Central Committee and the DPRK Government, concluded his visit today and left Pyongyang by air. Along with the foreign minister, Deputy Foreign Minister Mikhail Stepanovich Kapitsa and other suite members also left.

Today, Pyongyang airport was engulfed with warm atmosphere of sending-off. Thousands of working people of Pyongyang were present at the airport to give a warm send-off to the envoy of the fraternal Soviet people. Placed with due respect in the midst of the welcome crowd were portraits of the great leader of our party and people Comrade Kim Il-song and of Comrade Mikhail Sergeyevich Gorbachev, general secretary of the CPSU Central Committee, along with such slogans reading "Long live the great leader Comrade Kim Il-song!" "Long live the glorious WPK!" "Long live Comrade Mikhail Sergeyevich Gorbachev" and "Long live the CPSU." Also posted in front of the lines of the crowd present at the send-off were slogans reading "We give a warm send-off to Comrade Eduard Amvrosyevich Shevardnadze, foreign minister of the USSR" and "Long live the indomitable, invincible, and fraternal friendship and unity between the Korean and Soviet people."

The flags of our country and of the Soviet Union and red banners were vigorously waving at the airport as if to demonstrate the militant friendship and unity between the parties and peoples of the two countries -- Korea and the Soviet Union -- which are daily being strengthened and developed in the midst of a joint struggle for the victory of the cause of peace, socialism, and communism and against imperialism. The crowd present at the airport, with portraits of the great leader Comrade Kim Il-song and of the respected Comrade Mikhail Sergeyevich Gorbachev in their hands, along with the flags of the two countries and flowers, were waiting for the appearance at the airport by the envoys of the Soviet people, class brothers and close comrades-in-arms, who are returning home after a successful conclusion of their visit to our country.

When at last the guests arrived at the airport, the crowds gave them a warm send-off, raising cheers of "manse" and shouting slogans of friendship and unity.

At the airport Comrade Pak Song-chol, member of the WPK Central Committee Political Bureau and vice president; Comrade Kim Yong-nam, member of the WPK Central Committee, premier of the State Administration Council, and foreign minister; Comrade Kim Pok-sin, alternate member of the WPK Central Committee Political Bureau, vice premier of the State Administration Council, and chairman of the Commission of External Economic Affairs; Kim Yong-chae, chairman of the Korea-Soviet Friendship Society Central Committee and minister of communications; Yi Mong-ho, chairman of the Committee for Cultural Relations With Foreign Countries, and Kwon Min-chun, director of a department of the WPK Central Committee; Kim Jyong-yul, vice foreign minister; and Kwon Hui-kyong, DPRK ambassador extraordinary and plenipotentiary to the USSR, and other officials concerned bid farewell to the foreign minister. Also, Nikolay Shubnikov, Soviet ambassador extraordinary and plenipotentiary to our country, the staff of the Soviet Embassy, and diplomatic representatives of various foreign countries were at the airport. Members of the Juvenile Corps presented bouquets of flowers to the foreign minister and his suite members. Comrade Shevardnadze boarded the plane, responding to the wholehearted send-off of the crowds.

CPRF STATEMENT ON 'TEAM SPIRIT-86' EXERCISE

SK230251 Pyongyang Domestic Service in Korean 0000 GMT 23 Jan 86

[Statement issued by the CPRF in Pyongyang on 23 January -- read by announcer]

[Text] Because of the maneuvers of the U.S. imperialists and the South Korean puppets to wage the "Team Spirit-86" joint military exercise, a grave situation in which dialogues are suspended all at once and tensions are becoming aggravated again being created on the Korean peninsula. As has already been reported, the U.S. imperialists and the South Korean puppet clique officially announced the plan to conduct the "Team Spirit-86" joint military exercise in South Korea, beginning 10 February, by mobilizing a huge number of forces, including some 200,000 U.S. aggression forces and puppet forces, and countless modern war means, including a fleet of aircraft carriers equipped with nuclear weapons.

Before announcing the plan for the military exercise, the U.S. imperialists first moved the Midway, an aircraft carrier of the 7th U.S. Fleet, from Yokosuka base, Japan, to South Korea, and the South Korean puppets also kicked up the military racket of waging a nighttime exhibition transport exercise to embark on the joint military exercise all together at the puppet army units. This shows that the U.S. imperialists and the South Korean puppets premeditatedly and secretly prepared for and pushed ahead with the joint military exercise beforehand, running counter to the aspirations of our nation and the world's people for dialogue, relaxation and peace. We cannot but pay attention to the fact that all these acts of the U.S. imperialists and the South Korean puppets were committed at the same time as our repeated peace proposal for discontinuing the military exercises to create a favorable atmosphere for dialogue in our country was put forth and efforts to realize it were made.

Since entering this year, we have not stopped, even for a moment, efforts to successfully push ahead with the North-South dialogue and to remove the state of confrontation. We have expressed the stand of bringing about a good fruition by holding the ongoing North-South dialogue well and of realizing the highest-level: North-South talks.

As a way to successfully push ahead with dialogue, we have also raise on several occasions, the question calling on the two sides not to wage the military exercises blocking dialogue and have even taken an initiative.

Indeed, our sincerity expressed for dialogue and peace has not been little and our efforts made for them have been countlessly great. This notwithstanding, the U.S. imperialists and the South Korean puppets failed to show a proper good response to our sincerity and efforts, but, on the contrary, answered them with the announcement of the plan for the provocative "Team Spirit-86" joint military exercise.

In the name of the Korean people, the CPRF resolutely denounces the aggressive and antinational criminal act of the U.S. imperialists and the South Korean puppets who are trying to wage the "Team Spirit-86" military exercise while confronting our peace-loving efforts with military rackets. Saying that the "Team Spirit-86" joint military exercise assumes the nature of normal practice and is defensive in nature or it has nothing to do with dialogue is the provokers' excuse and pretext which do not deserve even a passing note.

Having already mapped out an offensive strategy against us and having continuously perpetrated military actions to attack our northern half of the republic on the ground and in the sea and the sky, the U.S. imperialists and the South Korean puppets talked about so-called normal practice and defense. This is, indeed, ridiculous.

The "Team Spirit" joint military exercise, which has been turned from a tactical exercise which began in 1976 on the scale of some 40,000 forces to a strategic operational exercise into which some 200,000 forces strong and even nuclear weapons are mobilized, is not simply a repeat of a normal exercise, but is a test nuclear war which has been escalated. Furthermore, describing the "Team Spirit-86" joint military exercise as a so-called defensive one is very unbecoming in view of the state of the formation of services and branches, the state of the formation of armed equipment to be mobilized in the military exercise the selection of the exercise site which is similar to our northern half, and the offensive operational content of the exercise.

It is rather good not to make an unreasonable pretext; and an unnecessary excuse is, on the contrary, worse than not making one. Describing the offensive exercise threatening the other side of that dialogue as a defensive one with a pretext and excuse, which cannot fool anyone, and saying that it has nothing to do with dialogue are also in vain.

First, as one side to the dialogue, we have something to say to the South Korean side. Why did the South Korean side respond to our peace proposal for (?relaxation) and peace despite the fact that it is laying an obstacle to the way of dialogue and aggravating tensions by waging military exercises against us, fellow countrymen, in collusion with the United States, a foreign force? Is it really true that the military exercise is more important to the South Korean side than dialogue with us, compatriots? And does it view the interests of those on the opposite side of the ocean and the expansion policy of the United States of America more importantly than the interests of its nation and the peace of its country?

The betrayal of the nation cannot be anything but the act of the South Korean persons in authority, and infidelity to the other side of dialogue cannot be anything but their military exercise itself. Our nation cannot become a victim of the U.S. policy of confrontation. We should be used by no one's policy of strength. Also, we should not fight with compatriots in lieu of someone else.

The South Korean persons in authority should not play the role of agents of the U.S. criminal war policy, but should treasure dialogue between the fellow countrymen and return to the road for national rapprochement, unity, and reunification.

Korea belongs to the Korean peoples. South Korea cannot become a hereditary feudal territory of the United States. The fact itself that the U.S. imperialists have occupied South Korea for over 40 years is illegal, and the crimes which they have, so far, committed against us are indelible. Invariably seeking the policy of occupation of South Korea, the United States is adding another crime to the shameful history of crimes by trying to perpetrate the "Team Spirit-86" joint military exercise by even mobilizing aggression forces in its mainland this time.

The United States should clearly recognize that their act of seeking confrontation and war on the Korean peninsula is never beneficial to itself. If their words that they genuinely want North-South dialogue and desire peace in Korea are not a lie and sham, the U.S. imperialists must withdraw the plan for the "Team Spirit-86" joint military exercise and pull out their aggression forces and nuclear weapons from South Korea. The Korean question should be, in every aspect, peacefully resolved through dialogue and negotiation. Now that the U.S. imperialists and the South Korean puppets turned out to challenge our goodwill and magnanimity with a military threat, we have no intention of holding dialogue while begging to the provokers. The U.S. imperialists and the South Korean puppets should candidly acknowledge their fault of plunging the North-South dialogue into the state of suspension, and totally assume responsibility for all consequences which will arise from the provocative military exercise. [Dated] 22 January 1986, Pyongyang

SOVIET COMMITTEE SUPPORTS OLYMPIC COHOSTING

[Text] Pyongyang January 23 (KCNA) -- M. Gramov, president of the Physical Culture and Sports Committee under the Council of Ministers and president of the National Olympic Committee of the Soviet Union, expressed support to the proposal of the DPRK Olympic Committee that the 24th Olympic Games be cohosted by the North and the South. He said he stood in support of the proposal of the DPRK Olympic Committee that the 24th Olympic Games be cohosted by the North and the South of Korea and they participate in the games as a single team. He said this in his conversation with Kim Yu-sun, chairman of the Korean Physical Culture and Sports Guidance Committee, who stopped over in Moscow on his way home after participating in the second joint meeting of delegates of the International Olympic Committee and delegates of the North and South Olympic Committees.

PRC SUPPORTS REUNIFICATION, HALT TO EXERCISES

SK181545 Pyongyang KCNA in English 1503 GMT 18 Jan 86

[Text] Pyongyang January 18 (KCNA) -- Wu Xueqian, member of the State Council and foreign minister of China, in his report to the 14th session of the Standing Committee of the Sixth National People's Congress, declared that China resolutely supported the demand of the Democratic People's Republic of Korea for realizing the independent and peaceful reunification of the country and all efforts to help toward North-South dialogue and relaxation of tension on the Korean peninsula. Meanwhile, Chen Pixian, vice-chairman of the Standing Committee of the National People's Congress of China, when he met a delegation of the DPRK Red Cross Society on a visit to China on January 16, said the Chinese party and government actively supported the statement of the Foreign Ministry of the Democratic People's Republic of Korea urging the United States and the South Korean authorities to stop military exercises to ease tension on the Korean peninsula and create a favourable atmosphere for North-South dialogue.

NODONG SINMUN ON DIALOGUE, MILITARY EXERCISES

SK180154 Pyongyang Domestic Service in Korean 2148 GMT 16 Jan 86

[NODONG SINMUN 17 January commentary: "Confrontation Rackets Unsuitable for Dialogue"]

[Text] The entire nation and the world's peace-loving people are now hoping that the situation on the Korean peninsula will be alleviated this year, that misunderstanding and distrust between the North and South will be dissolved by bringing about good results in the dialogue, and that a change will come about in ending the state of confrontation.

Yet in South Korea, confrontation rackets are continuing which are against such expectations of people at home and abroad, and which are unsuitable for an atmosphere for dialogue.

As reported, traitor Chon Tu-hwan visited the puppet Army Headquarters and the Olympic Security guard early in the new year and raved about doing the utmost to guard the facilities, making a slanderous outburst against us by saying that provocations and terrorist activities by us are anticipated.

Right after this, the puppet national police headquarters, under the pretext of checking the North's provocations by taking advantage of the winter season, called a meeting of security section chiefs of the city and provincial police bureaus throughout South Korea, holding a conference aimed at strengthening the alert posture for protecting major facilities.

In the meantime, the so-called minister of national unification stated in a new year interview carried by the broadcasting media that since a superior position of national strength in all sectors is the basis for dialogue, they should have faith in the liberal democratic system and build strength.

In particular, Yi Ki-paek, the new defense minister, stated in his inaugural speech that he would ensure that all-out efforts are made to crush any enemy provocations by augmenting and developing the policy implemented by his predecessor, thus openly revealing their intent to step up war rackets such as building up arms and continuing military exercises. A few days before this, Pak Hui-to, the newly appointed puppet army chief of staff, said that war preparations would be accelerated based on the determination that a war might break out and with the intention of going to war.

In the meetings of the three services of the puppet armed forces for officially beginning this year's business, which were held in early January, such bellicose and violent outbursts as the completion of an operational posture for sure victory in the initial stage of war rang out.

A series of steps to increase war preparations have been taken continuously. As reported, the puppet National Assembly passed, in a forcible manner at the end of last year, a budget bill earmarking an increase of no less than 12.6 percent in direct military spending alone over last year's figure, and decided to extend for another 5 years starting this year the exploiting period of the defense tax, which was supposed to expire last year. Also, as part of the maneuvers for building up armed strength, they have also decided to sharply increase the term of service of defense soldiers, a kind of active service of the puppet Army, effective this year, and to restrict overseas trips by youths on reservist duty, a kind of reservist force.

These rackets of anticommunist confrontation and war, which are becoming more open just as we have begun the new year, should be regarded as very extraordinary moves. The puppets have already implemented a new so-called offensive strategy, massively increased the puppet Army's combat troops and armored units, including commando units, and deployed them in the forward area along the Military Demarcation Line at large. Also, at the key puppet Army commanders meetings held around the end of last year, they designated this year as the year for establishing preparedness for a sure victory and held a conference to complete the operational posture for a sure victory in the initial stage of war.

The instigation of confrontation and the military steps which have been intensifying since early January this year cannot be considered separately from this. This is a very dangerous act revealing the fact that the Chon Tu-hwan ring, this year as well, is not trying to dissolve distrust and misunderstanding through dialogue and negotiations and to end the state of confrontation, but, on the contrary, is attempting to aggravate the situation in the country and to solve problems in North-South relations by force.

What should not be overlooked is the fact that the puppets, while continuing to seek confrontation through strength, are raving about dialogue and the alleviation of tension. This is not convincing to anyone. Anticommunist confrontation instigations and war preparations are not consistent with dialogue. They are needed only to aggravate tension, to lay grave obstacles to dialogue, and to press us with the force of arms.

Observing the inconsistent acts of the South Korean ruling ring, which is seeking confrontation while mentioning dialogue and which is accelerating war preparations while advocating the alleviation of tension, we cannot help being doubtful whether we will be able to solve the problem of alleviating tension and reunification by sitting face to face with it.

In order to improve North-South relations and solve the problem of reunification through dialogue, rackets of confrontation and war which adversely affect the atmosphere for dialogue should not be waged, and each side should make an effort to provide an advantageous environment for dialogue. If a confrontation policy against the other party of dialogue is sought and war rackets are waged, it will only result in the aggravation of tension and the deepening of national division.

If tension is aggravated, North-South relations cannot be improved. In a situation where the danger of war hovers, dialogue cannot be conducted smoothly, and even if dialogue is conducted, no success can be attained.

Although dialogues were held between the North and South in various sectors in the past and last year, no noteworthy results were attained in these talks because the South Korean puppets, while seeking confrontation and war only behind the curtain of dialogue, laid artificial obstacles to the dialogues. They suspended the dialogue, which was held after a long interval, for 6 months by staging a large-scale joint military exercise with the United States called "Team Spirit-85" at the beginning of last year. Later, they threw cold water on the atmosphere of dialogue and heightened tension by repeatedly committing military provocations -- by staging various provocative war exercises called Myolgong, Sunggong, and Pakchwi and by infiltrating military aircraft over our side in the DMZ.

It is clear that if the South Korean puppets develop a war atmosphere and aggravate relations between both sides this year just as they did last year by continuously kicking up confrontation and war zeal rackets, the question of alleviating tension on the Korean peninsula will not be resolved, no matter how much time may pass, and the North-South dialogue will face a grave danger.

The government of our republic has recently decided, beginning on 1 February, not to conduct large-scale military exercises in the entire area of the northern half of the republic and to stop all military exercises during the period when the North-South dialogue is held, and has urged the United States and the South Korean authorities to announce that they will stop military exercises in the entire area of South Korea, starting on 1 February, in response to this decision. This is chiefly aimed at alleviating tension on the Korean peninsula, at preventing the danger of war, and at providing favorable conditions for the North-South dialogue.

If all military exercises are suspended in South Korea as demanded by us, relations between the North and South will be improved remarkably and a much more favorable atmosphere will be provided for the North-South dialogue. If South Korean persons in authority want to improve their relations with us through dialogue, they should stop anachronistic anticommunist confrontation rackets and northward invasion agitation; in particular, they should not kick up military exercise rackets any longer against the opposite side to dialogue.

If they destroy the atmosphere of dialogue through reckless anticommunist confrontation and war rackets and if they continue to heighten tension, they must totally bear responsibility for all the consequences of these acts.

The United States also should not commit the act of blurring the atmosphere of dialogue in our country any longer. If the United States is truly interested in peace and the alleviation of tension in Korea, it should declare at home and abroad that it will respond to our proposal for stopping military exercises in the entire area of South Korea, should immediately put this into practice, should stop the act of instigating the puppets to kick up war rackets, and should respond to our peace-loving proposal for holding tripartite talks.

There is no change at all in our stand for improving and developing relations between the North and South through dialogue and negotiations and for resolving the question of the country's reunification. Success or failure in the North-South dialogue totally depends on the South Korean side's attitude.

PAPER TERMS 'TEAM SPIRIT' CHALLENGE TO PEACE

SK211336 Pyongyang Domestic Service in Korean 2145 GMT 20 Jan 86

[NODONG SINMUN 21 January commentary: "A Grave Challenge to Peace and Dialogue"]

[Text] On 18 January, it was announced in Seoul and Washington simultaneously that the "Team Spirit-86" joint military exercise will be staged in South Korea beginning 10 February. An official announcement reported that the joint military exercise to be waged will be of the same scale as last year's exercise. The spokesman for the Combined Forces Command in Seoul announced that the exercise is aimed at increasing the capabilities for carrying out a plan for the military operations of the South Korean and U.S. troops through combined joint operations, including taking over, transporting, concentrating, and operating armed forces dispatched from abroad. This shows that the forthcoming joint military exercise is a large-scale offensive drill framed against us. The Midway, an aircraft carrier of the U.S. 7th Fleet which was anchoring in Yokosuka, has already departed from its base for South Korea.

The "Team Spirit-86" joint military exercise is a grave act of disturbing peace. At present, on-going dialogue in various fields is being held to improve the relations between the two sides. The sixth round of economic talks, the 11th round of Red Cross talks, and the third preliminary contact for parliamentary talks were scheduled to be held late this month and in February. We have not only actively made efforts to successfully advance the on-going talks, but have expressed hope for realizing the highest-level talks by promoting dialogue.

To push ahead with dialogue, tensions between the North and South should be eased and, above all, large-scale military exercises opposing the other side to dialogue should be stopped. It is obvious that under the condition in which military exercises are repeated, dialogue cannot be held smoothly, and success cannot be expected even if dialogue is held.

Through the MAC, we have already set forth the proposal to stop large-scale military exercises in Korea and discontinue all military exercises during the period in which dialogue is underway. On 11 January, we decided not to stage military exercises in the whole area of the northern half of the republic, beginning from 1 February 1986, and to discontinue all military drills during the period in which North-South dialogue is being held -- an important measure to create an atmosphere decisively in favor of dialogue -- and solemnly declared this at home and abroad.

Along with this, we proposed that, by responding to our proposal, the U.S. Government and the South Korean authorities not wage military exercises in the whole area of South Korea, beginning 1 February. Our proposal was an expression of sincere aspirations for removing, in advance, negative factors blocking the advance of dialogue and for accelerating the improvement of North-South relations by pushing ahead with dialogue in the midst of a sound atmosphere.

Public opinion at home and abroad actively supports our proposal and hopes that the United States and the South Korean authorities will answer our goodwill with goodwill. If the United States and the South Korean authorities are interested in peace in Korea and the improvement of the North-South relations, they should not stage military exercises by responding to our proposal.

Turning away from the unanimous aspirations of our people and the world's peace-loving people, they announced that they will conduct the "Team Spirit-86" joint military exercise, and have already begun moving armed forces to South Korea and its surrounding waters. We sternly denounce, in the name of the nation, the "Team Spirit-86" joint military exercise with the U.S. imperialists and the South Korean puppets are planning to wage, while branding it as an intolerable criminal act of threatening peace in Korea, aggravating the strained situation, and frustrating North-South dialogue.

The U.S. imperialists and the South Korean puppets are clamoring that the forthcoming military exercise will not have an impact on North-South dialogue, describing it as a defensive exercise in accordance with normal practice and as a drill to preserve peace.

So-called defense or peace is a stereotyped sophism which they have spun out whenever they have waged joint military exercises. Since they began the "Team Spirit" joint military exercise in 1976, they have escalated it every year. Forces numbering some 46,000 in the early period have been expanded on a huge scale, to forces numbering some 200,000, with which a complete war can be conducted.

Also, the nature and content of the joint military exercise has been turned into an exercise for less disguised northward attack and a war drill with a nuclear attack as basic content. Last year, even a special unit called Green Berets, which has long been equipped with nuclear backpacks, participated in the military exercise along with the nuclear strategic command.

The "Team Spirit" joint military exercises which have been staged thus far are a comprehensive preliminary war and test nuclear war to conduct a pre-emptive attack on the northern half of the republic. The "Team Spirit-86" joint military exercise is a direct expansion and escalation of the exercises.

Given that the "Team Spirit" war exercise is such a reckless military action, can its dangerous nature be veiled by saying that it is an annual drill, and can its aggressive nature be changed by disguising it with the mask of defense or peace? Talking about defense or peace, while having reduced South Korea to a dangerous hotbed of nuclear war in which many kinds of nuclear weapons and nuclear delivery means, numbering some 1,000 are deployed, and waging a large-scale nuclear exercise, is hypocrisy.

Saying that the "Team Spirit" war exercise will not have an impact on North-South dialogue is also a poor excuse. Dialogue is held to improve the North-South relations and peacefully resolve the internal problems of the nation. It is foolish for one side to dialogue to babble about dialogue while demonstrating armed force against the other side.

The U.S. imperialists and the South Korean puppet clique are pretending to have some good intentions, advertising that they have invited us to observe the military exercise. With such deceptive propaganda, they cannot hide the act of betrayal against the other side of dialogue. Inviting us, who are exposed to the threat of aggression because of a large-scale war exercise, to observe it is an insult to and mockery of us.

Last year, they also suspended hard-won dialogue for half a year by waging the "Team Spirit" war drill. The U.S. imperialists and the South Korean puppet clique, by trying to wage a large-scale war exercise again, reveal once more than the so-called dialogue or peace advocated by them is a sham and a lie.

The "Team Spirit" joint military exercise is a direct product of the U.S. imperialists' policy of aggression against Asia and Korea. The U.S. imperialists are intensifying aggression and war provocation maneuvers all over the world in order to find a way out of political and economic crises, which are daily becoming serious, through limitless arms buildup and the provocation of a new war.

The U.S. imperialists view Asia as important in realizing their aggressive global strategy, and, as with a piece of meat, try to bite and hang on to South Korea, which is an important place in terms of military strategy.

The U.S. imperialists are framing a sinister plot to inveigle Japan into the performance of their war strategy by perfecting the triangular military alliance system between the United States, Japan, and South Korea and to mobilize the armed forces of the Japanese Self-Defense Forces into a Korean war in case of an emergency.

The "Team Spirit" joint military exercise is a direct product of the U.S. imperialists' policy of aggression aimed at backing our people's cause of peaceful reunification, at perfecting the U.S.-Japanese-South Korean joint operational system, at invading our republic, and, furthermore, at prevailing over the other countries in Asia, and is a graphic expression of the U.S. policy of strength.

The South Korean persons in authority are trying to perpetrate a provocative joint military exercise against us, the other side of dialogue, by following the U.S. strategy of war. This is a maneuver to remain in power under the protection of the United States at a cost of leaving South Korea as a joint operational base of the United States and Japan and the nuclear war base of the United States, and a deliberate provocative act of aggravating tensions on the Korean peninsula and blocking the advance of North-South dialogue.

This year is the year of international peace. The peace-loving people of the world unanimously desire a new change this year in alleviating tension throughout the world and in eliminating the source of aggression and war. They expect that good results will be attained in the dialogue between the North and South of Korea through the successful holding of this dialogue.

By trying to stage a joint military exercise, running counter to the trend of the times, the United States and the South Korean authorities have fully revealed their true color before the people of the world as war maniacs who do not desire dialogue and the alleviation of tension and who disturb peace. By issuing a joint statement on 20 January, our side's delegations participating in the North-South dialogue denounced the plan of the United States and the South Korean authorities to stage a joint military exercise called "Team Spirit-86" and took a stand for continuing North-South talks when the atmosphere of dialogue becomes favorable following the conclusion of the joint military exercise. We desire the progress of the dialogue, and we have done so much as possible in order to make it progress. However, even if we desired to do so, we cannot hold dialogue under circumstances in which a military exercise that we oppose is being staged.

The United States and the South Korean authorities are totally responsible for suspending the dialogue. No matter what excuse or fraudulent trick they may use, the United States and the South Korean authorities can never avoid responsibility for heightening tension in Korea and for making the North-South dialogue face a crisis.

If the U.S. Government and the South Korean authorities are truly interested in dialogue, they should cancel the plan for staging the joint military exercise called "Team Spirit-86"; should not seek a nuclear war, in order to conform with the spirit agreed upon at the USSR-U.S. summit talks; and should accept the peace-loving proposal of the government of the republic for stopping military exercises.

If the U.S. imperialists and the South Korean authorities refuse to accept our just demand and if they heighten tension by staging the joint military exercise called "Team Spirit-86," they will be unable to avoid denunciation from the people as those who disturb the peace, who destroy dialogue, and who hinder reunification and will have to bear total responsibility for all the consequences of this act. Our will and resolve to alleviate tension on the Korean peninsula and to pioneer the future path of peaceful reunification through dialogue and negotiations are firm. We will do everything possible to achieve this end.

NODONG SINMUN DENOUNCES CHON'S POLICY SPEECH

SK190135 Pyongyang Domestic Service in Korean 2149 GMT 17 Jan 86

[NODONG SINMUN 18 January commentary: "The Dictator's Hypocrisy"]

[Text] The South Korean dictator delivered a policy speech on 16 January.

He made this speech, which had previously been made at special sessions of the National Assembly, sitting alone in an empty Chongwadae room and wearing a lonely look, apparently reflecting the gloomy reality in South Korea.

The speech had nothing new and consisted of only the stale contents which he had routinely uttered in the past. The noteworthy thing, if there was one, was that he tried his best to mislead opinion by distorting facts and embellishing reality, thereby pretending to be an advocate of reunification, a pacifist, and one interested in realizing democratic politics. This is well revealed by the fact that he babbled about the sense of responsibility for reunification, abandonment of the use of force, and peaceful transfer of power. Yet, if one looks at the other side of all this, he can readily see that this is hypocrisy.

Touching on the subject of dialogue and reunification, he said that he would ensure that national reconciliation and national reunification are carried through as the will of the state, that dialogue is continued, and that an open-door policy is called for. Mentioning dialogue and reunification, however, he never said that efforts will be made to solve the problem of reunification through dialogue, nor did he show his willingness as to how dialogue will be promoted and how the problem of reunification is to be solved.

Does this not mean that he intends to maintain the status quo, buying time by means of dialogue?

At this very moment, too, in the streets of South Korea, they are staging anticommunist rackets and spreading the nonexistent threat of southward invasion to inspire North-South confrontation. If he desired the promotion of dialogue and reunification, he would not stage the anachronistic anticommunist rackets and inspire hostility toward us. If he desired opening the door and national reconciliation, he would not make them turn away from our proposal at the Red Cross talks for realizing free visits of displace families and relatives and come up with the obsolete card system again.

On that day he called for arms buildup, saying that the capabilities of the Army should be maximized and that its modernization plan will be continuously pursued. This again is not compatible with dialogue and reunification.

He also revealed his scheme to fix the Korean division internationally when he called for all-out efforts in diplomacy.

At a time when the people desire to live independently, demand the revision of the Constitution in favor of direct presidential elections, and call for democratization in social and political life, he turned away from the masses' voices and made irrelevant remarks. In his speech he said that revision of the Constitution could be discussed in 1989. This is nothing less than saying that a revision of the Constitution for direct presidential elections will not be made. He is turning a deaf ear to the will of the people continuing to reject the electorates' exercise of suffrage. This is proof that a peaceful transfer of power is empty talk, and that he harbors the ambition for long-term power.

On that day Chon Tu-hwan, admitting the catastrophic state of the South Korean economy, which has encountered rugged challenges and trials, avoided mentioning the reasons for this. On the contrary, he pretended that there is stable growth and exaggerating facts and figures, aiming at deceiving the people.

At present the South Korean economy is experiencing a serious crisis as a result of a decrease in production, businesses going bankrupt, a slacking in exports, inflation, unstable prices, and an increasing international trade deficit. The catastrophe is deepening because of the protectionist trade barriers and pressure for opening markets imposed by its master. We would like to ask him whether he felt ashamed when he mentioned stability and growth, while the country is burdened with an enormous foreign debt exceeding \$50 billion.

In an attempt to calm the complaints of the people suffering from destitution, he put forward the so-called 6-point economic policy guideline, including the activation of investment and welfare policy. Would it not be more urgent to carry out the commitments made thus far, rather than making such additional commitments?

The South Korean economy is engulfed in serious depression and catastrophe and the people are suffering from severe destitution not because there has not been a commitment. Commitments such as in this speech were made in the policy speech of a year ago and prior to it. Who will benefit from such commitments when such commitments are made a hundred times but they fail to be implemented even once? The people have been deceived by the rulers' propaganda of empty commitments so many times that they no longer believe them even if they should say soya beans are used to make bean cakes.

His speech on that day also included remarks containing wicked and harmful intent. He threatened the South Korean youths, students, people, and opposition politicians calling for independence, democracy and reunification when he said that if politicians relinquish responsibility for their position and fail to carry out their duty, they should expect to be subjected to trial by the people, and that criminal acts of breaking law and order and impairing social stability should not be tolerated.

Those who should be subjected to trial are the persons in authority themselves who have implemented a fascist dictatorship, turning South Korea into a land of darkness where human rights are trampled and obliterated, who have sold out the country and the nation to foreign forces, who have subjugated the economy, and who are encouraging division and driving the people into destitution.

That day Chon Tu-hwan said that there is no task of greater importance than the urgent task of the country for the successful hosting of the Olympics. This is nothing less than to say that the people should be obedient even if they suppress the people, trample on human rights, and trample on the right to exist, on the pretext of holding the Olympics.

His speech in a word is like a prayer to Buddha in which a dictator who is cornered by the strong moves of the people aspiring for independence, democracy, and reunification attempts to find a way out of the crisis in which he is trapped by using the mask of a hypocrite.

The South Korean people, who are suffering from ever-worsening social and political unrest and economic catastrophe, will respond to the dictator's policy speech fraught with hypocrisy and deceitfulness with a more stubborn struggle for independence, democracy, and reunification.

The South Korean dictator will not be able to hide his traitorous nature no matter what tactics he may employ, nor will he be able to extricate himself from the crisis, which is deepening within and without.

PRC FOREIGN MINISTRY DENOUNCES EXERCISES

SK200449 Pyongyang KCNA in English 0435 GMT 20 Jan 86

[Text] Beijing January 18 (KCNA) -- The spokesman of the Chinese Foreign Ministry on January 18 denounced the announcement of the United States and South Korea that they would continue to hold military exercises in 1986, according to a XINHUA report. The spokesman said that China has always maintained that such large-scale military exercises can only ruin the atmosphere of the dialogue between the North and the South of Korea and aggravate the tension on the Korean peninsula. He also said that after the Democratic People's Republic of Korea recently took the initiative and announced a halt of the military exercises starting from February 1, the decision by the United States and South Korea to conduct such large-scale joint military exercises cannot but be deplorable.

INTERNATIONAL UNION OF STUDENTS HOLDS MEETING

Chong Chun-ki Attends

SK171146 Pyongyang KCNA in English 1028 GMT 17 Jan 86

[Text] Pyongyang January 17 (KCNA) -- An international solidarity meeting supporting the struggle of the Korean people and students was held Friday at the People's Palace of Culture.

Present there were Vice-Premier of the Administration Council Chong Chun-ki, Director of the Secretariat of the Central Committee of the Democratic Front for the Reunification of the Fatherland Yo Yon-ku and Chairman of the Central Committee of the League of Socialist Working Youth of Korea Yi Yong-su and students in Pyongyang. It was attended by the delegations and delegates from student organizations of different countries and international organizations which had attended the meeting of the Executive Committee of the International Union of Students [IUS].

Michaelides Giorgos, secretary general of the International Union of Students, made a keynote report at the meetings. He condemned the United States and the South Korean authorities that ignored the occasions which were created for the realisation of peace in Korea and her peaceful reunification and answered with "Team Spirit" nuclear war exercises. He strongly demanded that the United States and the South Korean authorities respond to the constructive proposals put forward by the DPRK Government including the problems of withdrawing the U.S. troops occupying South Korea and replacing the Armistice Agreement with a peace agreement. Kim Chang-yong, chairman of the Korean Students Committee, made a supplementary report there. Speeches were made by delegates of student organisations of 10 odd countries.

Kim Il-song Arranges Banquet

SK171153 Pyongyang KCNA in English 1118 GMT 17 Jan 86

[Text] Pyongyang January 17 (KCNA) -- The great leader Comrade Kim Il-song, general secretary of the Central Committee of the Workers' Party of Korea and president of the Democratic People's Republic of Korea, arranged a grand banquet at the Kumsusan Assembly Hall on the evening of January 17 in honour of the delegates who had attended the meeting of the Executive Committee of the International Union of Students. When President Kim Il-song appeared in the banquet hall amid the welcome music, all the attendants enthusiastically welcomed him with thunderous applause. President Kim Il-song made a speech.

A speech was also made by Miroslav Soepan, president of the International Union of Students, on behalf of the attendants of the meeting.

Present at the banquet were Pak Song-chol, Kim Yong-nam, Kim Hwan, So Yun-sok and Chong Chun-ki, and Yi Yong-su, chairman of the Central Committee of the League of Socialist Working Youth of Korea, the delegation of the Korean Students Committee headed by its chairman Kim Chang-yong, and officials concerned. Invited there were delegations and delegates from member organizations of the IUS Executive Committee, students organizations of many countries and international organisations. The delegation of the League of Korean Youth in Japan headed by chairman of its Central Standing Committee Kim Hak-su was also present.

Kim Speaks at Banquet

SK180844 Pyongyang Domestic Service in Korean 2200 GMT 17 Jan 86

[Speech by DPRK President Kim Il-song at a banquet held at the Kumsusan Assembly Hall on the evening of 17 January in honor of the delegates to the meeting of the Executive Committee of the International Union of Students -- read by announcer]

[Text] Dear delegates, comrades, and friends. Greatly rejoicing over the meeting of the Executive Committee of the International Union of Students held in Pyongyang, the capital of our country, at the outset of the new year of 1986, with the participation of delegates from a large number of student organizations and international organizations, I warmly welcome you, the delegates of student organizations from many countries and international organizations who participated in the meeting, and extend new year's greetings to you.

The meeting of the Executive Committee of the IUS, which was held amid the great expectations of the progressive people, students, and youths of the world, has successfully carried out its work thanks to the joint efforts of the delegates. At present, our people, students, and youths sincerely rejoice over the excellent results produced by the successful meeting of the IUS Executive Committee and warmly congratulate the success of the meeting. This meeting of the IUS Executive Committee, which has outstandingly carried out its work in conformity with the demands of the present situation and with the aspirations of the progressive students and youths and other peace-loving people of the world, will vigorously encourage the struggle of the broad sections of students, youths, and people in the world to safeguard peace, independence, and justice; to exercise their right to education, and to implement democracy. It will also greatly contribute to strengthening friendship and solidarity among the students and youths of many countries and to developing their movement throughout the world.

The international solidarity meeting organized this time by the IUS in support of the struggle of the Korean people, youths, and students has condemned the U.S. imperialists who are occupying South Korea, has actively supported our republic's peaceful initiatives and its reasonable proposal for reunification, and has expressed firm solidarity with the struggle of our people, youths, and students for the independent and peaceful reunification of the country.

Allow me to express hearty thanks to you, the delegates from the student organizations of many countries of the world and from the international organizations, for your active support, encouragement and inspiration to the just struggle of our people, youths, and students.

Students and youths are the builders of a new society and the masters of the world of the future. It is precisely you, the students and youths, who are entrusted with the honorable task of building a free and peaceful new world and a happy and prosperous new society.

Only when students and youths are well prepared can human wisdom and talents brilliantly flourish and mankind's historic cause of creating a new world vigorously advance along the great road of victory. Bearing in mind their important mission, students and youths must firmly prepare themselves to become the masters of a new world and display all their youthful energy and wisdom in building a new society.

This meeting of the IUS Executive Committee was held at a time when the people's aspirations for peace are higher than ever. This is a year of international peace. All the peace-loving people of the world unanimously hope that this year will mark a new advance in alleviating tension and removing the sources of aggression and war in all parts of the world. Only when peace is guaranteed in conformity with the desire and aspiration of the people can the peoples of all countries of the world build a happy new society with their creative labor, and students and youths realize their beautiful ideal.

Peace does not come of its own accord. It can be won and defended only through a struggle against imperialism. Imperialism is the wrecker of peace and the root cause of war. Because of the imperialists' maneuvers for aggression and war, peace is being disturbed and the danger of a new war is increasing in many parts of the world. The U.S. imperialists, who have invariably gratified their wild ambition for world domination, are now increasing armaments on a large scale, accelerating the production of nuclear weapons and their deployment, and trying to expand the arms race even to outer space by planning adventurous "star wars."

Because of the maneuvers of imperialists, including the U.S. imperialists, the people of the world today are at the crossroads where a choice must be made between war and peace and between dependence and independence. Opposing aggression and war and safeguarding peace is the most pressing and solemn task at this moment.

Students and youths who struggle for justice and truth through thick and thin with lively fighting spirit and revolutionary stamina are precisely a great anti-imperialist peace force of our times. All students and youths of the world should take the lead in the anti-imperialist struggle and courageously struggle to prevent a new world war, a thermonuclear war, and safeguard world peace and security.

The students and youths of the five continents of the world must turn out as one, must form an extensive united front, and must more vigorously wage the antiwar, antinuclear peace movement on a regional or global basis. They should also actively struggle to check and frustrate the imperialists' military buildup in terms of arms and strength, to achieve a universal and complete abolition of armaments, and to create and expand nuclear-free peace zones in many parts of the world.

Today, the greatest danger of nuclear war outbreak hovers over the Korean peninsula. The U.S. imperialists have dragged various types of nuclear weapons into South Korea on a large scale and have frequently staged nuclear war exercises there. As a result, South Korea has become the most dangerous hotbed of nuclear war, and our country is in a most tense situation where war may break out at any time.

Preventing the danger of nuclear war on the Korean peninsula is vital not only to the destiny of the Korean nation, but also to the safeguarding of world peace.

Unless peace is guaranteed on the Korean peninsula, there will be no peace in Asia and the rest of the world. If a nuclear war broke out in our country, it would become a global thermonuclear war. Whoever values peace must pay attention to the grave situation prevailing on the Korean peninsula and should actively take part in the struggle to remove the danger of war in our country.

Under the active support and encouragement of the progressive students and youths and of the world the Korean students and youths will staunchly struggle for the withdrawal of the U.S. forces and their nuclear weapons from South Korean and the ensurance of a durable peace on the Korean peninsula. If students and youths are to fulfill the noble mission which has been entrusted to them by the times and mankind, they should strengthen international solidarity and cooperation. Only by firmly uniting organizationally and by mutually supporting and cooperating with each other can students and youths play a great role in the struggle to build a new society, a new world, and to advance the history of mankind.

Students and youths in many countries of the world, irrespective of their ideologies, ideals, religious beliefs, and social systems, should firmly unite under the banner of peace against imperialism and should closely cooperate in their struggle for national independence and for the building of a new society. Student organizations in many countries of the world should further activate mutual visits and exchanges, share valuable experience in the student-youth movement with each other, and constantly strengthen their friendly ties.

The Korean students and youths will make every effort to strengthen friendship, solidarity, and cooperation with students and youths in many countries of the world and, at the same time, will actively struggle to ensure the smooth implementation of the resolution adopted at the meeting of the IUS Executive Committee held this time.

Today, the people of the world are looking forward, with great expectations, to the development of the world student-youth movement for the brilliant future of mankind. I firmly believe that the IUS and the world student-youth movement will be constantly strengthened and developed in conformity with the expectations of the people.

Hoping that there will be new success in your future work, you who are devoting all for the strengthening and developing of the world student-youth movement, I propose that a toast to the strengthening and developing of the world student-youth movement, to the friendship and solidarity of the progressive students and youths of the world, to world peace, to the health of delegates from student organizations of many countries of the world and international organizations who participated in this meeting, and to the health of the many comrades and friends present at this place.

IUS Confers Medal on Kim

SK180610 Pyongyang KCNA in English 0603 GMT 18 Jan 86

[Text] Pyongyang January 18 (KCNA) -- The Secretariat of the International Union of Students adopted a decision on conferring "The 17th November Medal", the highest award of the IUS, on Comrade Kim Il-song, general secretary of the Central Committee of the Workers' Party of Korea and president of the Democratic People's Republic of Korea.

The decision says: Recognizing the significant successes made by the people and youth of the Democratic People's Republic of Korea in socialist construction under the leadership of the Workers' Party of Korea led by Comrade Kim Il-song, the outstanding leader of the Korean communists; highly estimating the deep care and consistent concern shown by Comrade Kim Il-song for the new generation, children and students, of the Democratic People's Republic of Korea; emphasising the distinguished contribution of Comrade Kim Il-song to the international communist movement and working-class movement and his kind cooperation with and help for the movement of the world progressive youth and students; putting particular stress on exploits performed by Comrade Kim Il-song in the struggle for the peaceful and democratic reunification of Korea and for the relaxation of the tensions on the Korean peninsula; the Secretariat of the International Union of Students decides to confer "The 17th November Medal", the highest award of the International Union of Students, on Comrade Kim Il-song, general secretary of the Central Committee of the Workers' Party of Korea and president of the Democratic People's Republic of Korea.

KIM IL-SONG RECEIVES GHANAIAN DELEGATION

SK201102 Pyongyang KCNA in English 1036 GMT 20 Jan 86

[Text] Pyongyang January 20 (KCNA) -- The great leader President Kim Il-song on January 20 received the delegation of the Committee for Defence of the Revolution of Ghana led by its political counsellor John Yaw Asase on a visit to our country.

On hand were Hwang Chang-yop, secretary of the Central Committee of the Workers' Party of Korea, and Han Si-hae, vice-director of a department of the WPK Central Committee.

Also present there was Osei Bonsu Amankwa, ambassador extraordinary and plenipotentiary of the Republic of Ghana to Korea.

President Kim Il-song conversed with the guests in a cordial and friendly atmosphere. He received a gift from the guests.

DIPLOMATIC TIES BEGUN WITH TRINIDAD, AND TOBAGO

SK230503 Pyongyang KCNA in English 0439 GMT 23 Jan 86

[Text] Pyongyang January 23 (KCNA) -- A joint communique announcing the agreement on establishing diplomatic relations at ambassadorial level between the Democratic People's Republic of Korea and the Republic of Trinidad and Tobago was signed in Kingston on January 22.

The joint communique says that the Democratic People's Republic of Korea and the Republic of Trinidad and Tobago were opening diplomatic relations at ambassadorial level between them out of the desire to develop friendly relations and cooperation between the two countries.

The communique was signed by the Korean ambassador to Jamaica and the high commissioner of Trinidad and Tobago in Jamaica.

CHIEF DELEGATES TO TALKS SEND NORTH MESSAGES

SK230421 Seoul Domestic Service in Korean 0200 GMT 23 Jan 86

[Text] Kwon Chong-tal, our side's chief delegate to the preliminary contact for North-South parliamentary talks, and Yi Yong-tok, chief delegate to the North-South Red Cross talks, today sent telephone messages to the North urging the North side to participate in the talks on the dates agreed upon.

In his telephone message sent to Yi Chong-yul, the North side's head to the Red Cross talks, Yi Yong-tok, chief delegate to the North-South Red Cross talks, expressed his regret to the North side for having unilaterally notified that it would postpone the 11th round of the North-South Red Cross talks, and called for the holding of the talks on the date agreed upon, after restoring the Red Cross spirit.

Chief delegate Yi Yong-tok also said that all fellow countrymen who vividly remember the impressive work of last year, in which separated families visited hometowns and art troupes were exchanged, expect that the reunion of separated families will be realized at the earliest date by smoothly holding the North-South Red Cross talks this year. Chief delegate Yi Yong-tok further said: The North Korean side disregarding the wishes of the separated families and all fellow countrymen, announced that it would not hold the 11th round of the North-South Red Cross talks which was agreed to be held on 26 February by finding a fault with the question of military exercise, which has nothing to do with humanitarian Red Cross projects. This is a clear violation of the basic Red Cross spirit of love for mankind and service for salvaging from disasters. Because of this, the North Korean side cannot escape denunciation from home and abroad and responsibility for this. The most important thing in successfully conducting North-South dialogue is to maintain and to accumulate mutual trust. This must be realized, first of all, by sincerely implementing and observing the items of mutual agreement.

In his telephone message sent to Chon Kum-chol, the North side's head to the preliminary contact for North-South parliamentary talks, Kwon Chong-tal, chief delegate to the preliminary contact for North-South parliamentary talks, expressed his deep regret over the fact that the North side unilaterally announced that it would not hold the third round of preliminary contact, which had been mutually agreed upon. Chief delegate Kwon Chong-tal said: The North side while talking about peace and dialogue, on the one hand, and slandering and denouncing the opposite side to the dialogue even at the very beginning of the new year, on the other, has announced that it cannot meet on the agreed date. This is against basic etiquette and faith toward the opposite side to the dialogue and is a wrong attitude in which what one says is one thing and what one does is another.

JAPAN DETAINS TWO FISHING BOATS FOR VIOLATIONS

SK220606 Seoul YONHAP in English 0057 GMT 22 Jan 86

[Text] Chungmu, Korea, Jan. 22 (YONHAP) -- Two South Korean fishing boats are being detained in the port of Sakai for violating Japan's territorial waters, according to reports radioed Wednesday from the two boats. The 29-ton Changnyong was catching eels about 10 miles off the Japanese port of Mishida Tuesday morning when it was seized by a patrol boat from Japan's Maritime Safety Agency. The other boat, the 32-ton Paejin, was seized by a Japanese patrol boat Monday night for violating Japanese territorial waters, according to the report.

The Changnyong, which was carrying 10 fishermen, embarked on a fishing expedition on Jan. 17 and was originally scheduled to return home on Feb. 8. But no details are available about the Paejin case, however, because it left here without reporting to authorities.

'THOUSANDS' WELCOME SON SANN AT BORDER CAMP

BK180045 Bangkok THE NATION in English 18 Jan 86 p 1, 2

[Text] Ta Phraya -- Son Sann, the challenged leader of the Khmer People's National Liberation Front (KPNLF), yesterday visited a huge evacuation site where he was welcomed by thousands of Khmer inhabitants. "I want all the groups to unite and cooperate to fight against the enemy. I do not want Cambodians to kill Cambodians," Son Sann told his followers.

Son Sann was making his first trip to the border since his anti-Vietnamese movement split into two factions last December. "I came here today to make clear to the armed forces and civilian leaders that I am still president of the KPNLF," he said.

Son Sann yesterday met several KPNLF base commanders and civilian administrators who greeted him at the evacuation site, known officially as Site 2. Their discussion focused on the internal rift of the non-communist movement. Son Sann's visit yesterday was confined to the northern part of Site 2 where reporters were barred from taking his pictures.

Thousands of Kampucheans waited outside, as Son Sann held discussions with the KPNLF officials in the administration office. The source said that Son Sann was suggested to keep a low profile during his visit. Thai military authorities were earlier concerned about his safety when he planned to visit the border camp.

The KPNLF military leaders who attended the meeting with Son Sann included Chea Chhut, commander of Nong Chan camp, his deputy Chea Chaya, Prum Vith, commander of Sok San, and Im Chhudet, commander of O'Bok.

But members of the dissident faction, such as Gen Dien Del, the KPNLF chief-of-staff, his deputy Hing Kunthon, Liv Ne, commander of the fallen Rithisen camp, and Dr Abdul Gaffar, were not present at the encampment during Son Sann's visit.

Liv Ne Wi and Hing Kunthon are believed to have sided with the dissident groups which are trying to wrest power from Son Sann's administrative body.

KPNLF COMMANDERS PLEDGE SUPPORT FOR SON SANN

BK200135 Bangkok THE NATION in English 20 Jan 86 p 3

[Text] Aranyaprathet -- Seven key base commanders of the Khmer People's National Liberation Front (KPNLF) have pledged their support for Son Sann, the challenged KPNLF president, one of the commanders claimed Saturday. In an exclusive interview on the Khmer border with Thailand, Chea Chhut, the KPNLF commander of Prey Chan, told THE NATION that seven KPNLF military leaders during their meeting with Son Sann on Friday told the KPNLF president that they fully support his presidency in the KPNLF. Prey Chan, located opposite Nong Chan village of Ta Phraya District, is a KPNLF encampment which came under fierce Vietnamese attack during the past dry season offensive.

Son Sann on Friday visited Site II, an evacuation area for more than 130,000 KPNLF civilian followers about two kilometres from the Thai-Kampuchean frontier in Ta Phraya District of Rachinburi and he also discussed the KPNLF internal conflict with his KPNLF military commanders at the huge border refugee camp.

The seven KPNLF commanders, who attended the meeting with Son Sann, were Chea Chhut; Chea Chhaya, commander of a KPNLF special commando force and Chea Chhut's deputy; Prum Vith, commander of Sok San; Ta Mang, commander of Samlar Chhngarh; Keo Chuon, commander of Nam Yun; Chum Chieng, chief of Dang Rek; and Im Chhudet, commander of O'Bok.

Chea Chhut, who has been loyal to Son Sann, said the whole force of about 2,000 KPNLF guerrillas under his command fully support Son Sann and he was waiting for Son Sann's order concerning the rift between two factions in the KPNLF.

The KPNLF dissident group, led by Gen Sak Sutsakhan, KPNLF Commander-in-chief, last month established the Provisional Central Committee for Salvation of KPNLF. The KPNLF military leaders who joined the PCCS did not appear at Site II during Son Sann's visit.

The KPNLF commander also claimed that the newly-established PCCS is supported by other KPNLF base commanders, including Liv Ne, Commander of a KPNLF special force (Red Beret) and also Gen Dien Del, KPNLF chief-of-staff and vice president.

The loyalist commander said Son Sann had asked twice whether his followers still recognize him as KPNLF president -- the first time last month and the second during his visit to Site II where all his followers who joined the meeting with him pledged their support for him.

Chea Chhut also warned of the decline of the KPNLF armed forces due to the split in the non-communist resistance movement. "The rift inside the armed forces will lead to the lack of unity," said the Prey Chan commander. He claimed that the KPNLF guerrillas, who support Son Sann, would lay down their arms and merge with the civilians or defect to the Phnom Penh government forces if the PCCS wins its full control in the KPNLF.

Chea Chhut also said he and his group refuse to take Gen Dien Del's orders and would only listen to Son Sann's orders. However, Son Sann so far has yet to give out orders concerning the KPNLF internal conflict, according to Chea Chhut. He said Son Sann has been trying to seek a peaceful solution to the conflict to avoid a "breaking point" in the KPNLF armed forces. Chea Chhut said the KPNLF internal conflict has caused confusions among the KPNLF civilian followers and claimed that 80 percent of the Khmer civilians support Son Sann, who is also the premier of the Coalition Government of the Democratic Kampuchea.

Meanwhile, the Thai military Task Force 80 and the officials of the International Committee of Red Cross (ICRC) yesterday moved about 4,000 Vietnamese land refugees from their camp in the northern part of Site II to the southern part.

VONADK: SRV HELICOPTERS ATTACK BATTAMBANG SUBURB

BK150904 (Clandestine) Voice of the National Army of Democratic Kampuchea in Cambodian
0500 GMT 15 Jan 86

[Text] On 10 January, five Vietnamese helicopters strafed and bombed Battambang town's suburb near Ta Sek and (Siem) villages, killing a number of our people and wounding others.

BORDER SHELLING BY PRC REPORTED 11-17 JANUARY

BK221456 Hanoi Domestic Service in Vietnamese 1445 GMT 22 Jan 86

[Text] From 11 to 17 January, China fired nearly 18,000 large-caliber artillery and mortar shells into the areas of Vi Xuyen District, Ha Tuyen Province; border markers 27 and 28 in Binh Lieu District, Quang Ninh Province; Thi Hoa in Ha Lang District and Pac Bo in Ha Quang District, Cao Bang Province; and Quoc Khanh, Tan Minh, and Doi Can villages in Trang Dinh District, Lang Son Province. The shelling destroyed 19 houses and killed or wounded 21 of our compatriots, among them many old people and children. Along with its barbarous shellings, China also sent many groups of commandos and scouts to carry out sabotage activities in a number of places in the six northern border provinces of our country, including Hai Ninh District, Quang Ninh Province; Dinh Lap, Loc Binh, and Trang Dinh districts, Lang Son Province; Trung Khanh and Ha Quang districts, Cao Banx Province; Dong Van and Quang Ba districts, Ha Tuyen Province; Bat Xat District, Hoang Lien Son Province; and Phong Tho District, Lai Chau Province. Upholding vigilance, our army and people in the localities concerned promptly opened fire and wiped out or captured a number of the intruders and seized their weapons.

CEMA DELEGATES SIGN PLANNING MEETING MINUTES

BK131702 Hanoi VNA in English 1538 GMT 13 Jan 86

[Text] Hanoi VNA Jan 13 -- Minutes of the 37th session of the Council for Mutual Economic Assistance (CMEA) Committee for Cooperation in Planning were signed in Ho Chi Minh City on Jan 12.

The signing ceremony was attended by I. Iiev, deputy chairman of the Council of Ministers and chairman of the State Planning Committee of Bulgaria; L. Faluvegi, vice chairman of the Council of Ministers and chairman of the State Planning Committee of Hungary; Vo Van Kiet, vice chairman of the Council of Ministers and chairman of the State Planning Commission; G. Schuerer, deputy chairman of the Council of Ministers and chairman of the State Planning Commission of the German Democratic Republic; Miguel A. Figueras, first deputy chairman of the State Planning Committee of Cuba; M. Peljee, deputy chairman of the Council of Ministers and chairman of the State Planning Commission of Mongolia; M. Gorywoda, deputy chairman of the Council of Ministers and chairman of the Planning Commission of Poland; M. Pereduse [name as received], deputy chairman of the State Planning Commission of Romania; N.V. Talyzin, first vice chairman of the Council of Ministers and chairman of the State Planning Commission of the Soviet Union; S. Potac, vice chairman of the Council of Ministers and chairman of the State Planning Commission [of Laos]; and Yugoslav Ambassador to Vietnam Borivoje Stojadinovic, representative of the Socialist Federal Republic of Yugoslavia.

U.S.-THAI EXERCISE SAID TO THREATEN STABILITY

BK220539 Hanoi Domestic Service in Vietnamese 1430 GMT 21 Jan 86

[Station editor Duong Quang Minh commentary: "Hostile Activities Against the Trend Toward Dialogue in Southeast Asia"]

[Text] According to sources in Bangkok, the United States and Thailand have decided to use Chanthaburi Province, situated close to the Thai-Cambodian border, as the site for U.S.-Thai large-scale joint military exercises codenamed "Cobra Gold-86," to be held in mid-1986.

It is different from previous U.S.-Thai military exercises which were organized in the southern part of Thailand; this time Bangkok and Washington plan to show their military power close to the PRK. This is a new act of war provocation, a gross, dangerous, and deliberately planned act of the United States and Thailand. On one hand, it directly threatens the security of Cambodia and opposes the Cambodian people's peaceful labor and national reconstruction; on the other it serves as an act to boost the morale of various disintegrating Cambodian reactionary organizations in the face of strong offensive attacks by the KPRAF and the increasingly acute squabble between the Cambodian reactionary groups. This act is also a part of the scheme designed by Washington, Bangkok, and their accomplices to continue creating confrontation and opposing the trend toward dialogue which is developing between the ASEAN and Indochinese countries in Southeast Asia.

The public is not surprised to note that each time Washington, Bangkok, and the expansionist force in the Beijing leadership want to employ new acts to oppose the Cambodian people's revival and the independence, sovereignty, and security of the three Indochinese countries, they create smoke screens by spreading allegations that Vietnam threatens to invade Thailand and Vietnamese troops violate Thai territory. This time again Washington and Bangkok incessantly declare that the U.S.-Thai military exercise to be held close to the Thai-Cambodian border is aimed at opposing a threat from a foreign country. Realities have substantially proved that nobody is threatening Thailand and that the imperialist and expansionist forces are working hand in glove with Bangkok to turn Thailand into a front-line state against the three Indochinese countries.

On 3 October in New York, the U.S. secretary of defense signed a military collusion agreement with Thailand which outlined the transfer of large amounts of weapons and military transport equipment to this country by the United States. Washington will also help Thailand increase the production of ammunition and military transport equipment in Thailand. Moreover, Washington has continuously sent high-ranking officials to Thailand to make observation tours of the Thai-Cambodian border and give instructions to Bangkok. Early this year, U.S. Secretary of Defense Weinberger sent his assistant to Bangkok to deliver a letter to the Thai prime minister reaffirming continued U.S. military aid to Thailand. Recently, the U.S. Congress also approved an appropriation of \$3.5 million as aid for the Khmer reactionaries.

Beijing's activities in this field are no less vicious than those of Washington. Beijing has promised additional aid for Bangkok and the Khmer reactionaries to oppose Cambodia and Vietnam. It must be pointed out that by working hand in glove with Washington and Beijing and by allowing Washington and Beijing to pour weapons into Thailand and turn Thailand into a front-line state against the three Indochinese countries, the Bangkok administration only courts disaster for Thailand itself. All aspects of the increasingly unstable situation in Thailand attest to this. Even public opinion in Thailand asserts that the Bangkok administration only hurts its own interests by cooperating with Washington and Beijing.

We fully support the PRK's stand and condemn before public opinion all hostile military activities to be carried out by Washington and Bangkok and their collaborators aimed at opposing Cambodia and peace and stability in Southeast Asia and preventing the trend toward dialogue in the region.

CORRECTION TO GREETINGS TO CAMBODIAN LEADERS

The following correction pertains to the item sub-headlined "Leaders Greet Counterparts," published in the 9 January Asia & Pacific DAILY REPORT, page K12, paragraph five, line eight:

...Marxism-Leninism and socialist internationalism -- has been...(changing word "proletarian" to "socialist")

PRESIDENT SUHARTO'S '86 VISIT TO USSR RULED OUT

BK191453 Jakarta SINAR HARAPAN in Indonesian 11 Jan 86 pp 1, 12

[Text] Jakarta, 11 January -- Junior Minister-State Secretary Murdiono told SINAR HARAPAN on 10 January that he had not heard reports about President Suharto's planned visit to the Soviet Union this year. Several news agency reports, quoted by THE JAKARTA POST on Friday, carried Soviet Deputy Foreign Minister Mikhail Kapitsa's remarks about President Suharto's planned visit to the Soviet Union this year. Kapitsa, however, declined to provide the exact date of the visit. On the same occasion, Kapitsa also disclosed Malaysian Prime Minister Mahathir's planned visit to the Soviet Union this year. However, Zainal Abidin Sulong, the secretary general of the Malaysian Foreign Ministry, said on Thursday that his government does not have any such visit planned.

The protocol procedures for any head of state's overseas visit are usually arranged by the Foreign Ministry and the State Secretariat of the respective countries. In Indonesia, the Directorate General of Protocol Affairs and the directorate in charge of the region concerned with the visit -- in this case, the Directorate in charge of European affairs -- are the two state agencies which ought to know details about Indonesia head of state's overseas trip or any foreign head of state's visit to Indonesia. However, high-ranking officials from the two state agencies told SINAR HARAPAN that they knew nothing about the president's planned visit to the Soviet Union.

The issue of President Suharto's visit to the Soviet Union has apparently been the subject of speculation for a long time. Last year, Nayan Chanda, Washington-based correspondent of the FAR EASTERN ECONOMIC REVIEW, wrote about the president's planned visit, but Foreign Minister Mokhtar Kusumaatmaja dismissed it, pointing out there was no invitation for such a visit.

When Soviet Deputy Prime Minister Ryabov, the highest-ranking Soviet official to visit Indonesia since the rise of the New Order government, visited Indonesia from 28 October to 1 November 1985, he extended his government's invitation to President Suharto to visit the Soviet Union. The president accepted the invitation but stated that a date convenient for both sides would have to be decided. This means that no exact date is given for the visit.

Many Indonesian officials believe that the Soviets are deliberately circulating reports about President Suharto's visit to the Soviet Union because they want to upgrade not only economic and trade, but also political relations. All this is closely related to the opening of a direct trade link between Indonesia and the PRC, which can be interpreted as a preliminary move toward the normalization of diplomatic relations between the two countries. "The Soviets obviously do not want to be left behind," said an Indonesian official, but he also pointed out that current Kremlin leadership is indeed paying more attention to the Asia-Pacific region.

Observers in Jakarta believe that the president will not travel overseas this year because of preparations for next year's general election. Besides, no special advantage in the trade, economic, let alone political areas can be reaped from a trip to the Soviet Union. "Therefore, there is only a remote possibility of the president traveling to that country," said an official who knows President Suharto's overseas trips well.

PAPER CALLS FOR ONGOING DIALOGUE WITH SUPERPOWERS

BK220210 Jakarta SINAR HARAPAN in Indonesian 15 Jan 86 p 6

[Editorial: "Invitation From Moscow"]

[Text] We are not sure of the exact statement by Soviet Deputy Foreign Minister Mikhail Kapitsa in Moscow when he said that President Suharto and Malaysian Prime Minister Dr Mahathir will visit the Soviet Union. The senior Foreign Ministry official specializing in Asia-Pacific affairs apparently touched on various issues in a news-conference. It is likely that he did not formally announce the official visit by President Suharto and Prime Minister Mahathir but rather touched upon them within the context of relations between the Soviet Union and countries within ASEAN.

Our first impression is that an official invitation has in fact been extended to President Suharto, but the two sides have yet to fix the date for such a visit. It is normal that an official invitation from a state to a foreign head of state or head of government to make a state visit is put off until it is convenient for the latter to visit.

Our second impression is that Deputy Foreign Minister Kapitsa probably wanted to remind both Kuala Lumpur and Jakarta not to postpone the visits too long. It is interesting to study his motivation in reminding the parties concerned about the invitations. Perhaps he meant nothing by his statement. In our social life, we wonder if our friends do not respond to our invitation. However the issue of invitations is a different thing for sovereign countries. Deputy Foreign Minister Kapitsa's statement probably underscored the desire of the new Moscow leadership to pay greater attention to the situation in Asia. General Secretary Mikhail Gorbachev will probably pay an official visit to India this year, while Soviet Foreign Minister Eduard Shevardnadze will arrive in Tokyo on 15 January 1986.

For Indonesia's national interests, it would be useful for us to link the unclear message from Moscow with the results of the talks between President Ronald Reagan and General Secretary Mikhail Gorbachev in Geneva last November. Unlike the Vienna summit between President Jimmy Carter and Prime Minister [title as published] Leonid Brezhnev in 1979, the Geneva summit produced at least an understanding on approaches to conflicts in various parts of the world. The two sides agreed to hold periodic working meetings among senior officials to discuss the situation in a particular part of the world. In the context of their agreement, Indonesia now should present our initiatives to the superpowers about the strategic future of Southeast Asia.

As implementation of our national development in stages through the 5-year plans progresses, the more urgent is the need to create a peaceful and encouraging geopolitical sphere around this vast archipelagic nation. Willingly or unwillingly, we should hold continuous dialogues with the United States, the Soviet Union, and also with the PRC at a convenient time in the future. We want to protect our national interests by the end of the century not only individually but also by taking into account the future and common interests of Southeast Asia. We should, however, get to know their initiatives on and what they call the normal interests in this region.

Indonesia's determination to take off in its development program, in spite of its temporary slow pace will be affected if we cannot forge functional regional cooperation in Southeast Asia in the next 10 to 15 years to realistically settle the existing conflicts. Accordingly, we should not consider the invitation to President Suharto to visit Moscow in an unrealistic manner. The date and agenda of the visit can be appropriately arranged. Thus, we will gradually reassert the purity of a free and active foreign policy.

MARCOS ADDRESSES WOMEN'S ASSEMBLY 20 JANUARY

HK220737 Quezon City Maharlika Broadcasting System in English 0924 GMT 20 Jan 86

[Address by Philippine President Ferdinand Marcos to the First Assembly of Women in Government Service at the University of Life in Pasig, Rizal -- live, in Tagalog; broadcast in progress -- capitalized passages spoken in English]

[Text] I greet the leaders and members of this first assembly of lovely women in government service, especially the older ones. [laughter]

You know, singing a while ago, reminded me of my courtship days with the first lady. FROM THE TIME I MET HER UP TO THE TIME SHE MARRIED ME, ELEVEN DAYS. I CANNOT RECOMMEND THIS FOR ALL WOMEN.

When I was courting her, I would serenade her. I whispered sweet nothings in her ear when we were dancing. I would sing to her. Later, I found out that she was the number one singer at the Philippine Women's University. Helen [not further identified] did not inform me. When I found out that she was a singer preparing for an opera career, that was the end of the singing career of Ferdinand Marcos. [laughter]

You know, I am supposed to be in Caloocan by 1730 but an invitation from the women of this country who constitute more than the majority of the voters in the whole country, is an order to appear. [applause] THAT IS WHY I AM HERE BEFORE YOU, NOT MERELY AS A CANDIDATE. I am not only appealing to you as a candidate, but also as your president whom you elected to the highest office in the land.

AS YOUR PRESIDENT, I COME HERE IN COMPLIANCE WITH YOUR ORDERS TO ME. On my shoulders are placed not only the responsibilities of a candidate, but also those of one who leads, the president of the Republic of the Philippines. We have traversed four elections. You elected me president in 1965. I WAS ONLY 47 YEARS OLD. AGAIN IN 1969, I WON IN A REELECTION CAMPAIGN. UNDER MARTIAL LAW IN 1976, THERE WAS A PLEBISCITE, OR REFERENDUM, ASKING ONLY ONE QUESTION: DO YOU WANT PRESIDENT MARCOS TO CONTINUE AS PRESIDENT OF THE REPUBLIC OF THE PHILIPPINES UNDER MARTIAL LAW, OR DO YOU WANT SOMEBODY ELSE? NAME HIM. AND YOU VOTED TO KEEP MARCOS AS PRESIDENT WITH 90 PERCENT OF THE VOTE. 1981, A PRESIDENTIAL ELECTION WAS HELD, AND AGAIN, YOU ENTRUSTED THE HIGHEST AUTHORITY TO ME, TO YOUR HUMBLE SERVANT.

I am also your little soldier whom you directed: Go on, soldier Marcos, because, since your youth, from the age of 21, you have made sacrifices for the country. Now, continue the work, you are the guardian once more of our country. You are the soldier, the sentinel -- [changes thought] what is that? Our order to you is: Continue as the ears, eyes, voice of the entire Filipino nation, because the president sits on top of the country. If the Philippines is progressing, you must tell the people why we are advancing so that the people will continue working and sacrificing for the country. However, if you should detect and feel, as guardian and sentinel of the Filipino nation, that we face hard times, and you sense the danger facing the country, you should be the first to detect those dangers and your duty calls for you to be the first to shout that we are facing danger.

That is why I called an election and shortened my tenure so that we will have the opportunity to combat this danger. Now, I face you as your president and I cry out to you: Danger! Danger faces us. I appeal to the Filipino people that, while we still have time and opportunity, let us exercise the sacred right to vote as granted to us by the Constitution and use it to avert that danger. It is only right that, men and women alike, we exercise our duty, not only for our families, not only for ourselves, but also for the Republic of Philippines. [passage indistinct].

I do not ask for your lives nor your property nor the most valuable of all, your sacred honor. WE COME, HOWEVER, TO ASK YOU TO USE THE AUTHORITY THAT HAS BEEN GRANTED TO YOU, THE POWER TO VOTE. [Passage indistinct]. Use the weapon given to you by the Constitution. Use it to avert the danger we face. Use the Marcos-Tolentino team against communism. Vote for the Marcos-Tolentino team!

Perhaps you are wondering why Marcos has a bandage on his hand. It was reported from the other side that Marcos [passage indistinct]. Well, the other day I was in Pangasinan and I was surrounded by the people. They were the children of my soldiers, young girls and boys. When I saw them crying, young lasses, I asked them why they were crying. They said that they had never seen their father who died in the fighting. [Passage indistinct].

My father was also killed by the Japanese. He was able to escape from prison but he was overtaken by the Japanese. I took 1,500 men and surrounded the 300 Japanese and I sent word that if they did not release my father, I promised them that I would kill every one of them. However, [passage indistinct].

I ORDERED THE ATTACK TO BE ABORTED, BUT MY BROTHER, AND MY OTHER COMMANDERS UP IN THE NORTH WHO WERE ATTACKING FROM THAT SECTOR, CLAIMED THAT THEY DID NOT RECEIVE THE ORDER TO ABORT THE ATTACK, SO THEY CONTINUED ATTACKING. THE JAPANESE HUNG MY FATHER SO THAT I COULD SEE IT. I related the story to my friends in Dagupan. They were all crying and I cried too.

THAT IS WHY THE LAYING OF THE WREATH ON THE UNKNOWN SOLDIER'S TOMB IS A VERY MEANINGFUL CEREMONY TO ME. EVERYTIME I LAY A WREATH ON THE UNKNOWN SOLDIER'S TOMB, I AM LAYING A WREATH ON THE TOMB OF MY OWN FATHER, AND FOR THE FATHERS, BROTHERS, HUSBANDS, THE SWEET-HEARTS OF MANY OF YOU. MANY OF YOU ARE CRYING NOW, BECAUSE YOU SEE ME AND I REMIND YOU OF YOUR LOVED ONES WHOSE BODIES WE NEVER RECOVERED.

So, they kept shaking my hand without realizing that they were scratching my hand. How can you avoid that? Their fathers, brothers and husbands were my soldiers. How can I ignore them? The opposition reported in their papers and spread the word that Marcos was bleeding. Bleeding means blood coming out. Well, it was only a scratch.

YOU KNOW I WAS WOUNDED FIVE TIMES DURING THE WAR. Do not mind my cold. The truth is that we guerrilla leaders got sick while laying wreaths at the tomb of the unknown soldier. My habit has been to have hats removed, even if it is raining. I also had raincoats and umbrellas removed so that we could stand straight before our loved ones. There we were, thinking that we were still young men. Suddenly it rained. So, all the guerrilla leaders caught a cold, including your humble servant.

Sometimes, they see me limping. The last wound I received in Bataan was on my left knee which was hit by shrapnel which broke bones. Worse than that, the tendons were affected. It turned out to be incurable. So, I limped a little. The opposition cried: How can he run the government if he cannot walk straight? Well, I may not be able to walk straight but my thinking and intelligence is straight.

Recently, I presented Dodie Boy Penalosa, world flyweight champion, with a trophy. He incidentally was from Dumaguete. Dodi Boy Penalosa, flyweight champion of the world, suffered from polio when he was young. When I gave him the trophy, I asked him: Does your left knee not hurt? Isn't your left thigh smaller than the right one? Do you not suffer from pain when fighting a hard fight?

He told me: Oh, yes, it hurts frequently. However, I am the champion of the world and I represent 54 million Filipinos. When I remember that, once a champion, and I am world champion, you act like a champion. I forget the pain.

So, I said to myself, if this young man fears nothing, well, he is right. I also have the same wound, but from now on, Marcos will walk straight, because once a champion, you should act like a champion.

YOU KNOW, THESE DAYS, WE HEAR ALL KINDS OF LIBELS, SLANDERS. I HAVE NEVER HEARD SUCH DEGRADING AND SUCH GUTTER LANGUAGE IN POLITICS AS IS NOW COMING FROM THE OPPOSITION. They do nothing but curse. [Passage indistinct]. I ask them: Do you have any government program? The answer is no, I have nothing but honesty and sincerity. [Passage indistinct].

THEY ARE ASKING FOR SYMPATHY FOR THE DEATH OF NINYOY AQUINO BECAUSE NINYOY AQUINO, THEY CLAIMED, WAS FIGHTING FOR DEMOCRACY. WAS HE FIGHTING FOR DEMOCRACY? [Passage indistinct].

WE HAVE ON RECORD, IN THE TRIAL OF NINYOY AQUINO WHERE HE WAS CONVICTED AND GIVEN THE PENALTY OF DEATH, EVIDENCE TO THE EFFECT THAT IT WAS HE WHO HELPED CREATE THE NEW COMMUNIST PARTY. WHO ARE THE WITNESSES? THE WITNESSES WERE NPA COMMANDERS. WHAT WERE THEIR NAMES? COMMANDER PUSA, ONE OF THE WELL-KNOWN COMMANDERS OF THE NPA AND COMMANDER MELODY, ALSO A WELL-KNOWN COMMANDER OF THE NPA. AT THE SAME TIME, THE SON OF THE BARANGAY CAPTAIN WHO WAS KILLED ON THE ORDERS OF NINYOY AQUINO HEARD EVERYTHING. [Passage indistinct].

I have forgotten...what were we talking about? [laughter]

You know, I notice that while I am speaking and your ears are tuned to me, your eyes are on the first lady. Hence, I, too, can't help turn around. Well, I said to myself: The Caloocan rally might be cancelled if we leave early. [Passage indistinct]

Ninoy Aquino was condemned for ordering the killing of a barangay captain. [Passage indistinct]. They are tenants at the Hacienda Luisita owned by the Aquinos and Cojuangcos. It is probably the biggest hacienda right now. And yet, they refuse to have this put under the agrarian reform.

Why was the barangay captain killed? Because he was head of the tenants who were asking for a piece of land for their houses. It was not a lot to ask and the tenants were not seeking a fight. They were just asking and appealing for help, that they be given a small piece of land for their houses. They were refused. [Passage indistinct].

Aquino ordered Commander Melody to kill Sumat. Melody asked why, since the man is also poor like us. Why are we killing a fellow poor man? He was just appealing for a piece of land for their houses. Aquino got angry and sent Melody out. He ordered Commander Cruz, who testified that he took Melody's place. Passing by Sumat's son's hiding place, Commander Melody told the boy: We will get even. So, when Ninoy Aquino was killed Commander Melody went back to Sumat's son and said: Son, we got even. Obviously, they knew something.

When Commander Pusa testified and said: The new Communist Party -- the old one, the PKP [Partido Komunista ng Pilipinas] surrendered to me en masse with all their arms on the plains of Aliaga, Nueva Ecija in 1974. In 1968, a new Communist Party was organized by Jose Maria Sison. Jose Maria Sison is in jail. We captured him. He is the leader of the new Communist Party of the Philippines. Likewise, Commander Dante, who is the NPA top commander, is also in jail. His real name is Bernabe Buscayno. They also said in their testimony that it was Ninoy Aquino who ordered that the new Communist Party of the Philippines should be organized. They also said that Ninoy Aquino's house on Times Street in Quezon City as well as their house in Concepcion serve as hospitals for the NPA where wounded NPA were treated. Could it be possible that the relatives and close ones of Ninoy Aquino were unaware of what was going on in their house?

Could it be possible that she did not know of the guns found in their house? Those were the guns given to the NPA. Commander Pusa testified that Ninoy Aquino financed the raid on the Philippine Military Academy. Who gave the money? Ninoy Aquino. Who gave the guns and vehicles? Ninoy Aquino. [Passage indistinct]

See what the NPA are doing. Are they not threatening the remote towns that, what is the story? Didn't 300 NPA raid a town and, after killing the police and constabulary, gather the people together and tell them: If you vote for Marcos-Tolentino, we will return and flatten this town. Could they have done this were there no agreement with my opponent? Now, my opponent said that she will include the Communists in the government. What will happen? Cabinet members and generals will be Communists. It already happened in Indonesia.

PRESIDENT SUKARNO ALLOWED THE COMMUNISTS INTO THE GOVERNMENT. WHEN THE COMMUNISTS WERE CONVINCED THAT THEY WERE STRONG ENOUGH, THEY STAGED A COUP D'ETAT. THEY KILLED THE GENERALS WHO WERE NOT WITH THEM. THEY KILLED THE CABINET MEMBERS WHO WERE NOT WITH THEM, EXCEPT FOR GENERAL SUHARTO, WHO WAS COMMANDER OF THE STRATEGIC COMMAND, AND SECRETARY OF NATIONAL DEFENSE NASUTION. THE TWO FOUGHT THE COMMUNISTS.

THERE WAS A CIVIL WAR FOR SOME TIME IN INDONESIA, AND THEIR ECONOMY WAS COMPLETELY FLATTENED. COMMUNICATIONS WERE DESTROYED, THE INDUSTRY STOPPED AND THE WHOLE ECONOMY WAS IMMOBILIZED. WORSE THAT THIS, 700,000 TO ONE MILLION PEOPLE WERE KILLED. WHO WERE THESE PEOPLE? THE PEOPLE WERE CIVILIANS. THEY WERE CIVILIANS LIKE YOU AND ME. THEY ARE THE ONES WHO SUFFER IN ANY BLOODY INCIDENT LIKE THIS. YOU AND I WILL SUFFER, because we have no weapons. We have no guns. The military have guns and uniforms and are ready to die. That is their duty. [Passage indistinct].

While we still have the time and opportunity to prevent all of this, [passage indistinct]. THAT IS WHY I GAVE UP 1 and 1/2 YEARS OF TENURE AS PRESIDENT AND CALLED A SNAP ELECTION, BECAUSE IT IS MY DUTY TO YOU AS PRESIDENT OF THE REPUBLIC OF THE PHILIPPINES. I HAVE ALWAYS SACRIFICED FOR YOU AND FOR ALL OUR PEOPLE. [Passage indistinct].

I felt it my duty to give up 1 and 1/2 years of my tenure as president in order that I can bring up the issue, not only of communism, but of the Moro National Liberation Front [MNLF] and the irresponsible, casual manner with which they are dealing with the problems of our society. What is their program of government? None, we don't have a program of government. And they say it with a smile.

I DON'T KNOW WHICH IS THE BIGGER DANGER, COMMUNISM OR THE MANNER WITH WHICH THEY TREAT THE PROBLEMS OF OUR COUNTRY. COMMUNISM OR THE ALMOST INDIFFERENT, CASUAL MANNER WITH WHICH THEY LOOK AT THESE CRITICAL PROBLEMS, LIKE THE ECONOMIC PROBLEMS. [Passage indistinct].

IS THIS TRUE? THIS INDICATES THAT THEY ARE NOT ONLY IGNORANT OF ECONOMIC PRINCIPLES, THEY ARE ALSO IGNORANT OF WHAT IS HAPPENING IN OUR COUNTRY AND THROUGHOUT THE WORLD. THE ECONOMIC CRISIS IN THE PHILIPPINES STARTED WHEN THERE WAS A RECESSION THROUGHOUT THE WORLD. THEY DID NOT EVEN KNOW THAT THERE WAS A RECESSION THROUGHOUT THE WORLD. THEY DON'T KNOW THAT MEXICO STARTED THE DOWNWARD SLIDE FOR THE SMALL DEVELOPING COUNTRIES. WELL, MEXICO NOTIFIED THE BANK TO WHICH THEY WERE INDEBTED THAT THEY COULD NO LONGER PAY THEIR INDEBTEDNESS. ALL THE BANKS STOPPED ALL CREDITS THAT WERE GIVEN TO DEVELOPING COUNTRIES, INCLUDING THE PHILIPPINES. WE USED TO BORROW THREE BILLION PESOS FOR TRADE CREDITS. THEY SAID THE THREE BILLION PESOS WERE USED BY THE MARCOS ADMINISTRATION AND STOLEN BY THEM. THIS INDICATES HOW IGNORANT THEY ARE OF THE PRINCIPLES OF BANKING AND FINANCING AND TRADE, WORLD TRADE.

THE TRADE CREDIT GRANTED BY THE WORLD'S BANKS, ESPECIALLY PRIVATE BANKS, ARE USED NOT BY THE GOVERNMENT BUT BY PRIVATE BUSINESS PEOPLE TO BRING IN RAW MATERIALS, MACHINERY AS WELL AS TECHNOLOGY. THE GOVERNMENT GUARANTEES THIS, OTHERWISE THE BANKS WILL NOT LEND ANY MONEY. AND THIS, THEY DID NOT EVEN KNOW.

THAT IS WHY THE GOVERNMENT IS MENTIONED AS CODEBTOR. THAT IS WHY WE ARE INDEBTED BECAUSE WE HAVE TO GUARANTEE THE LOANS OF THE PRIVATE SECTOR. DO THEY KNOW THIS? THEY NEVER TALK ABOUT IT. SO, YOU WHO ARE TECHNOCRATS, YOU WHO ARE LEADERS OF WOMEN IN FINANCING AND IN BANKING, YOU KNOW WHAT THIS IS ABOUT.

THEY SAY THAT ALL THIS MONEY WAS BORROWED DURING THE TIME OF MARCOS. THAT IS NOT TRUE. YOU KNOW VERY WELL THAT AFTER THE WAR, WE HAD TO BORROW MONEY IN ORDER TO RECOVER FROM A WAR THAT DEVASTATED OUR ENTIRE ECONOMY. YOU KNOW THAT THESE BORROWINGS WERE USED MOSTLY BY THE PRIVATE SECTOR TO BUILD THEIR BUSINESSES AND FACTORIES. YOU KNOW THAT ALL THESE, THE GOVERNMENT HAD TO GUARANTEE. OTHERWISE, THE BANKS WOULD NOT HAVE LENT ANY MONEY.

AT THE SAME TIME, THERE WAS A WORLDWIDE RECESSION. WHAT IS A RECESSION? A RECESSION IS A LESSENING OF TRADE AND IMPORTS SUCH THAT THE EXPORTS WE WERE SELLING BECAME LESS AND LESS AND THE PRICES CAME DOWN. PRICES LIKE THE PRICE OF SUGAR; SUGAR USED TO BE 10 OR 30 CENTS A POUND; NOW IT IS ONLY 8 CENTS A POUND. IT USED TO BE A COCONUT OIL, NO, NO. SUGAR USED TO SELL FOR 30 CENTS, THEN IT CAME DOWN AND STARTED SELLING FOR 3 CENTS. [Passage indistinct].

WHO DO WE HAVE TO BLAME FOR THE LOWERING OF THOSE PRICES? [Passage indistinct] IF THERE ARE 100 EGGS IN THE MARKET AND THERE ARE BUYERS WITH MONEY AMOUNTING TO P 1,000 AND ALL OF THESE MONEY [words indistinct].

THEREFORE, HOW CAN YOU SAY THAT MARCOS FIRST OF ALL WAS THE CAUSE OF ALL THESE? I DO NOT KNOW IF THEY WILL LET ME EXPLAIN THIS TO THEM FOR ONE WHOLE DAY. THAT IS THE TROUBLE. I DO NOT KNOW WHICH IS MORE DANGEROUS, THE COMMUNISTS OR THE IGNORANCE OF THESE PEOPLE WHO ARE NOW SO, [words indistinct]. THEY DON'T KNOW ANYTHING ABOUT PRICES, INFLATION. WHAT IS THE BIGGEST PROBLEM OF WAGES EARNED BY YOU IN GOVERNMENT? [Passage indistinct].

BECAUSE YOU MUST UNDERSTAND EXACTLY WHAT IS HAPPENING IN OUR COUNTRY. I CAN EXPLAIN ALL THESE PROBLEMS ABOUT OUR ECONOMY. [passage indistinct].

LET US TALK ABOUT THE ORDINARY HOUSEWIFE. [Words indistinct] YOU WENT TO GSIS [Government Service and Insurance System] TO BORROW MONEY AND YOU GOT THE P 50,000. CAME THE WORLD RECESSION, CAME THE ECONOMIC CRISIS AND YOU COULD NOT PAY FOR IT FOR ONE YEAR. THEY THREATEN TO CANCEL THE MORTGAGE. WHAT ARE YOU TO DO? YOU GO TO THE GSIS AND ASK FOR A RESTRUCTURING OF THE LOAN. WHAT IS THIS? RESTRUCTURING OF THE LOAN MEANS THAT YOU HAVE MORE TIME AND LESS INTEREST TO PAY FOR YOUR INDEBTEDNESS. IF THE BANK IS A PROGRESSIVE, THEY WILL GIVE YOU A RESTRUCTURING. YOU HAVE ONLY TWO MORE YEARS TO PAY YOUR AMORTIZATION. THEY SAY: ALL RIGHT, WE WILL GIVE YOU 5 MORE YEARS AND WE WILL CONDONE SOME OF THE INTEREST. BUT YOU PROMISE THAT YOU WILL SET ASIDE SOME OF THE MONEY FOR THE PAYMENTS AND YOU ASSIGN AN IMMEDIATE DISCOUNT OF YOUR SALARY EVERY MONTH TO PAY YOUR INDEBTEDNESS. NOW THAT IS EXACTLY WHAT OUR GOVERNMENT DID.

WHO IS THE BANK FOR THE COUNTRIES OF THE WORLD? CENTRAL BANK OF THE COUNTRIES OF THE WORLD IS THE INTERNATIONAL MONETARY FUND. WE WENT TO THE IMF, WHICH IS THE RESULT OF THE BRETTON WOODS AGREEMENT IN 1946. WE WENT TO THE WORLD BANK AND WE TOLD THEM: NOW, LOOK, WE ARE NOT TO BLAME FOR THIS WORLD RECESSION. WE ARE THE VICTIMS OF THE RECESSION AND WE ARE HERE TO RESTRUCTURE OUR INDEBTEDNESS.

YES, THEY SAID, PROVIDED YOU LESSEN YOUR DEFICIT AND LESSEN GOVERNMENT EXPENDITURE, AND THAT IS WHY, FOR A WHILE, WE HAD TO CUT THE BUDGET BY 20 PERCENT FOR 2 YEARS. THIS WAS OUR BITTER PILL. YOU KNOW, WHEN YOU ARE SICK, YOU HAVE TO TAKE YOUR MEDICINE, NO MATTER HOW BITTER THE PILL IS. WE SUFFERED. AND EVERYBODY SUFFERED. WE ARE ALL EQUAL. PERHAPS THE RICH WHO KEEP SHOUTING DID NOT FEEL THE PINCH. BUT WE ARE FOR RESTRUCTURING AND, BECAUSE WE WERE ABLE TO CUT DOWN ON OUR DEFICIT SPENDING, THE IMF RECOGNIZED THE ACIEVEMENT OF THE PHILIPPINE GOVERNMENT AND THEY GAVE US THE LOANS THAT WE NEEDED AND WE RESTRUCTURED OURSELF. THEY GAVE US 5 YEARS GRACE AND ANOTHER 5 YEARS WITH WHICH TO PAY OUR INDEBTEDNESS.

Now, let me ask them: Did they have a part in this, where we were able to get some breathing space?

NOW IS THE TIME TO BORROW MONEY SO THAT WE CAN PAY OUR INDEBTEDNESS. THESE ARE DIFFICULT TIMES. WHAT DID THE IMF DO? IT GAVE US NEW MONEY, 400 MILLION DOLLARS. THEN THEY EXTENDED LOANS AND WE WERE GIVEN CREDITS BY PRIVATE BANKS, 3 BILLION DOLLARS. AT THE SAME TIME, WE WERE GIVEN THE FIRST AND SECOND TRANCHES AMOUNTING TO 200 MILLION DOLLARS. WE ALSO WERE ABLE TO BORROW ANOTHER 100 MILLION DOLLARS FROM THE WORLD BANK, ALL OF THIS IS GOING INTO THE ECONOMY. [Passage indistinct].

WE ARE NOW ON THE WAY TO RECOVERY. Then we hear them shouting that nothing is happening. It is really difficult to wake those who sleep so soundly. YOU CANNOT OPEN THE EYES OF A MAN WHO ACTS LIKE A BLIND MAN.

SIR, YOUR AUDIENCE HAS BEEN AROUND SINCE ONE O'CLOCK. IT IS NOW SIX-TEN. THEY HAVE TO GO HOME TO COOK DINNER. [laughter] YOU KNOW, YOU CANNOT REALLY BE A POLITICAL TEACHER IF YOU CANNOT TEACH OUR PEOPLE THE FUNDAMENTALS OF THE SOLUTION TO THE ECONOMIC CRISIS. THIS IS WHY, UH, MY -- HOLD IT -- IT IS WHY I OPT TO CALL SPECIAL ELECTIONS. WE NOW BRING TO THE PEOPLE THIS KIND OF INFORMATION. ONE OF MY ORIGINAL AMBITIONS WAS TO BECOME A TEACHER. NOW, I AM A TEACHING PRESIDENT AND I SORT OF LIKE IT WHEN I SEE LIGHT OPEN UP IN THE FACE OF MY AUDIENCE. THEY REALIZE THE FACT [passage indistinct].

TO BE PRESIDENT IS TO CONVERT ALL THIS GREAT NUMBER OF OUR PEOPLE WHO WERE INDIFFERENT, UNCOMMITTED. THEY WERE RESIGNED TO DESPERATE HOPELESSNESS. THEY WERE RESIGNED TO BELIEVING THAT THEIR IMPOVERISHMENT AND IGNORANCE WAS A PART OF THEIR DESTINY THAT WAS GIVEN BY HEAVEN. [Passage indistinct]

Do no forget that the blood of the first heroes runs in your veins. Do not fail them. THAT IS THE VALUABLE HERITAGE WHICH WILL MAKE YOU A DIGNIFIED FILIPINO. WE COULD NOT IDENTIFY OURSELVES. NOW, WE HAVE DIGNITY. WE HAVE IDENTITY. [Passage indistinct].

You know, during the war, on the battlefields, the wounded solciers would cry: Oh Lord, inflict all the pain that you must but spare my country. Give her the freedom that we are fighting for. Can you imagine a soldier crying on the battlefields? You tell God: If I have to die, take my life but in return, grant my country her freedom. [applause]

I HAVE YET TO TELL YOU OF THE 5,000 SOLDIERS IN MY UNIT. I AM NOT RESTING. THIS IS MY COLD. WHEN THE ORDER TO SURRENDER CAME ON APRIL 9, 1942, MANY OF US YOUNG OFFICERS WERE [words indistinct].

YOU PRAY THAT YOU WILL BE REMEMBERED AFTER YOU HAVE GIVEN YOUR LIFE FOR YOUR COUNTRY. ONE OF THE YOUNGER OFFICERS, WELL, HE SAID TO ME: CAPTAIN, DO YOU THINK THEY WILL EVER REMEMBER US? AND I SAID: THERE ARE SO MANY OF US WHO WILL DIE HERE. I DON'T KNOW OF ANY INCIDENT IN HISTORY THAT WILL EQUAL THIS. TIRAD PASS WITH GREGORIO DEL PILAR. [Passage indistinct] 5,000 SOLDIERS WHO SWORE THAT WE WILL FIGHT TO THE DEATH. [Passage indistinct].

I WAS ONE OF THE LUCKY OR UNLUCKY ONES. I WAS KNOCKED UNCONSCIOUS IN THE THIRD ROUND OF THE LAST BATTLE. [passage indistinct]

AND SO, I WOULD LIKE TO CONVEY THAT STORY. NOBODY DID. I PROBABLY WILL HAVE TO WRITE IT. I WOULD LIKE TO SEE SOMEDAY, SOMETHING, A CHAPTER, ON MOUNT (Samat) AND THE 5,000 YOUNG MEN WHO GAVE UP THEIR LIVES.

DO YOU KNOW WHAT IT IS TO GIVE UP YOUR DREAMS? WELL, THEY DID AND THAT IS PART OF THE PRICE WE HAVE PAID FOR OUR PRESENT CAPABILITY TO SIT DOWN HERE IN PEACE AND SO, UH, TALK ABOUT DEMOCRACY, FIGHTING COMMUNISM. TALK ABOUT THE MNLF AGREEMENT OF NINYOY AQUINO AND BUTZ AQUINO TO GIVE UP PALAWAN, MINDANAO, BASILAN, SULU AND TAWITAWI TO A NEW MUSLIM STATE, ALTHOUGH AS I SAID, I DON'T KNOW WHICH ONE IS THE MORE DANGEROUS THING, THIS ATTITUDE OF PEOPLE WHO HAVE THE NERVE TO ASPIRE TO THE PRESIDENCY WITHOUT KNOWING ANYTHING ABOUT THE PROBLEMS OF THE PHILIPPINES AND NOT KNOWING HOW TO SOLVE THEM. THAT TO ME IS MORE DANGEROUS THAN ALL THE OTHER PROBLEMS.

SO, UH, I COME -- WHAT IS THE SHARE OF WOMANHOOD IN THE PHILIPPINE SOCIETY? DO YOU REMEMBER JOSE RIZAL'S MARIA CLARA? IS SHE NOT SUPPOSED TO BE DEMURE? SHE DOES NOT CHALLENGE THE MEN? AND SHE IS INTELLIGENT, BUT SHE PUSHES HER HUSBAND TO THE FOREFRONT. IF THERE ANYTHING SHE WANTS TO TEACH HER HUSBAND, IT IS INSIDE THE BEDROOM RIGHT? BECAUSE SHE LOVES HIM AND DOES NOT WANT TO HAVE HIM APPEAR HENPECKED. NO, MARIA CLARA DOES NOT DO THAT. SHE IS GRACIOUS AND TOLERANT AND WELL AWARE OF THE HABITS OF THE PEOPLE.

THAT IS WHY I AM A LITTLE WORIED WHEN THEY TALK ABOUT WOMEN'S RIGHTS. WOMEN'S RIGHT WERE BORN WITH THE FILIPINO NATION. THE TRUTH IS, WE MEN SURRENDER TO WOMEN IMMEDIATELY. THAT IS WHY I AM A LITTLE EMBARRASSED IN THIS POLITICAL FIGHT BECAUSE MY FATHER ONCE TOLD ME: NEVER ARGUE WITH A WOMEN. YOU LOSE AT THE BEGINNING. NEVER LIFT YOUR HANDS OR ELSE, YOU WILL BECOME THE WOMAN.

I have always followed these rules. That is why I am bit embarrassed, for fighting this woman may well be the most difficult thing I have faced in all my life. I have been in terrible battles. I have been wounded and I have asked God to take my life in return for the freedom of my country.

However, this time, what shall I tell God? God, take away my hesitation for I am fighting a woman. Well, it does not seem to be working. So, you must forgive me.

THE NATIONAL PROGRAM OF ECONOMIC RECOVERY, UH, [words indistinct]. MOST OF OUR PEOPLE WERE INDIFFERENT. THEY WERE ALREADY RESIGNED TO DESPERATE HOPELESSNESS. WE CHANGED ALL THAT. WE WANTED TO MAKE OUR PEOPLE DIFFERENT. WHO WERE THE INSTRUMENTS OF THIS? THE FAMILY. AND WHO IS THE ACTUAL HEAD OF THE FAMILY IN THE HOME?

Outside the house, it is the man, but inside the house: yes, dear, yes, dear. Yes, my darling. Thus, the molder of the young are the women. And we recognize this, and that is why we have the national machinery for development of the role of women. Who set this up? Our administration.

HAVE THEY SAID ANYTHING ABOUT THE ROLE OF WOMEN IN THE NEW SOCIETY? NO. I AM VERY HAPPY TO BE ABLE TO PARTICIPATE IN THIS EFFORT. I WANT TO SIGN BEFORE YOU A DECLARATION PROCLAIMING 1-JANUARY TO 31 DECEMBER 1986 AS FILIPINO FAMILY YEAR. [applause] I ALSO SIGN BEFORE YOU THE ORDER INCREASING MEDICAL ALLOWANCES WITHOUT INCREASING YOUR CONTRIBUTIONS.

I CANNOT SAY MORE. I AM SURROUNDED. [passage indistinct].

I HEREBY ANNOUNCE [words indistinct]

I THEREFORE SAY TO YOU THAT IN THE DAYS TO COME, SOCIETY IS READY TO RISE UP AND THE NEW DAY IS EMERGING. REST ASSURED THAT MARCOS-TOLENTINO WILL BE THE ONES WHO WILL BRING YOU A BRIGHTER TOMORROW. I ASK YOU TO USE MARCOS-TOLENTINO AS YOUR SHIELD, ARMOR AND YOUR PROTECTION AND I ASK YOU TO VOTE MARCOS-TOLENTINO.

Thank you very much.

MARCOS SPEAKS BEFORE MAKATI BUSINESSMEN

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[Speech of Philippine President Ferdinand Marcos before Makati Businessmen's Club, Bishops-Businessmen's Conference, and the Management Association of the Philippines at Makati -- live, monitored in progress -- in English]

[Text] ...And of course, Mr Vicente Romero and Vicente Paterno. Distinguished guests, my friends:

I should like first of all to thank the organizations that have joined together in this forum for inviting me to address you today. It is cheering to note that the election campaign at this stage already has excited the interest of all sectors of our society and not least our business community, which during the past weeks, have been active in focusing attention on the great issues involved in the coming elections.

It is arguable, of course, whether the passion of political campaigning is a valid barometer of national vigor. Not a few members of the diplomatic corps, I understand, have already been moved to remark that we seem to them like a people roused by this election, and I quote them, enjoy every minute of it.

I come to you not only as candidate but as president of the Republic of the Philippines, supposedly well aware of the many of the, much of the information that do not come to some of our citizens in the Republic. The active involvement of our people in this election is exactly what we hoped for when we sought the holding of a presidential election 17 months prior to the expiration of my present term. And the open discussion and debate of the fundamental issues affecting national life is what we envision as necessary to the shaping of directions for the nation in the years to come. I shall focus my remarks here therefore on what is sometimes called the bread and butter of political controversy, the question of economic policy and program which is sometimes the source of other problems of the country.

John Kenneth Galbraith once suggested that people are most, and I quote him, intelligently sensitive to political activity in the vicinity of their pocketbooks, close quote. True or not, there is no question that economics enjoys a high degree of preeminence in public policy debate. And in the present election campaign, we can hardly exaggerate its importance.

The present period of our national history is critical for the economy and the nation. For 2 years, we have labored to surmount the most severe crisis to confront the nation since 1972, and through our labors, we have succeeded in ensuring the economic stability of our Republic.

For over a decade we have labored to lay the foundation for national economic growth, daring to put into place radical reforms in our economic and social system, and, through our labors, we have effected considerable transformation in our society. It is our purpose to maintain this momentum more thoroughly and perhaps completely transform our society.

Now the challenge before us is to complete our full economic recovery and fire anew the engines of economic growth in our country. We must answer the question whether we can push through this dynamic of economic renewal in our midst, or we go back into the midst of crisis and reaction.

My party and administration believe that they can offer the nation the leadership to meet this challenge. We know that success cannot be achieved by one dramatic path. We know that many policies and many programs have to be shaped and resolutely implemented, before the tide of our economic fortunes will move upward.

We know above all that we must start to take the needed steps at once and in the continuity of what is already being done. It is my hope that our people, including the opposition, will take time out to study the true and realistic situation which the country is in and not engage in exaggerated, weak rhetoric which often marks political conflict.

The challenge is formidable, but we have created strong foundations to build on, the foundation to grow. Our economic program flows from two major endeavors we have undertaken during the past year. First, this economic stabilization program designed to correct problems of the economy generated by the crisis from the world recession during the last two years. Second, the broader program to provide the infrastructure for a more efficient business sector and for national development.

During these past two years, much has been written and said about the economic crisis which so suddenly visited the Philippines. Because of the unprecedented plunge of the economy brought about primarily by events which are perhaps beyond the control of any small developing country: The world recession, the Mexican notice of failure to pay indebtedness, and later on, perhaps, the 21 August 1983 incident. Many have conveniently forgotten that up until that fateful day, the Philippine economy was recognized as one of the most stable in the world.

Some critics say that we reached the acme of our economic development in the 1950s. I state that in 1974-75, before the first oil shock, the rate of development of our economy was at its highest, 10 percent. In a study made on the world economy by the prestigious London finance and business magazine, EUROMONEY, October of 1983, out of 93 countries studied in 1982, the economic growth and performance of the Philippines from 1974 to 1982 was ranked 21st. On the other hand, growth of many industrialized countries was far below that of the Philippines. West Germany was No. 29, Switzerland 31, United States 34, Canada 44, UK 59, Brazil 90, Israel 92, Argentina 93. The Philippines therefore was on top in terms of economic growth. EUROMONEY also considered the Philippines during the 1974-82 period as one of the 20 best performing developing countries despite its dependence on imported oil at the beginning, of course, to the tune of 95 percent, now down to 60 percent. In 1979, the Organization for Economic Cooperation and Development, the OECD, released its study entitled "Facing the Future," which assessed the development of advanced industrial countries and societies in harmony with that of developing countries. One interesting conclusion of this study was that Asia will become the center of the world economy with the Philippines eventually joining the new economic coprosperity sphere of fast growing Asian developing countries.

The investment and financial analysts, Hunter and Lewis and Donald Tallyson, in their book, "The Real World War," 1982, also described the Philippines as a new industrializing country.

The crisis of 1983 up 1985, was in many respects a temporary result of the world situation and other factors which are beyond our control. Although there may have been some errors in some marginal points in the area of economy, it was an artificial one. This is why our economy has bounced back with vigor, while Singapore, Malaysia and South Korea, who are often called more progressive, are beginning today to feel the pinch that we started to feel in 1983.

We are, on the other hand, moving onto the road, or on the road to recovery.

We hear of course all kinds of warnings from the critics and the opposition and certain of the observers, both foreign and local, our dedicated critics, about the perilous state of the national economy and about how things will reach disastrous proportions if we are returned to office. I can only say that these professional doomsday-sayers are not even, as Henry Kissinger says, and I quote him, the history of things that did not happen has never been written [coughs]. Otherwise if there was such a book of things undone, it would amply record the many predictions of doom for the economy and for our country, and how each and every event have belied their cherished fancies.

The fundamental strength of the economy is to be seen in the way we have overcome the travails attendant to the implementation of the economic stabilization program. We have been successful in lowering inflation and interest rates, uh, inflation of course from about 62 in November of 1984 to a single digit now. There has been a turn-around in the balance of payments position, and the country's foreign exchange reserves have been successfully raised. More on this later. The average inflation rate declined to 23.11 percent in 1985, from 60 to 50 percent, 50.3 actually, in 1984, and has now plunged to a single-digit level in November and December of last year. The interest rate is down to 15 or 16 percent from a high of over 50 percent in 1984. For the first 10 months of 1985, preliminary data indicate that the BOP [balance of payments] registered a surplus of \$4.342 billion after rescheduling and adjustments for arrears. The overall surplus in 1984 was \$1 million. Foreign exchange holdings of the central bank increased from \$886 million in 1984 to \$1.197 billion as of January 10, 1986.

We have been welcomed back to the fold of international creditworthiness after we successfully negotiated for the provision of new money with private international credits and the restoration of credit lines. We have also been successful in our loan restructuring efforts with our creditors, one of the objectives marked out by the opposition as a part of their economic program. Last December 27 we were able to draw the third and fourth branches of the IMF standby credit facility amounting to approximately \$230.8 million, after our country had satisfactorily complied with the periodic performance criteria, including the ceilings on reserve money supply at 28.8 billion, the reserves totalling about 38 [as heard] were held back, so that we saved about 4.8 billion. This triggered the release of the new money second installment amounting to 175 million in the first quarter of this year, the proceeds of which will be used to beef up the Central Bank's international reserve.

Last January 10 we reached agreement with a consortium of international banks on the restructuring of some \$2.9 billion in maturing loans of the Central Bank and the 6 other government corporations. This represents about 90 percent of total public sector loans to be restructured with international banks. The remaining \$300 million to be restructured will be finished by March of this year. Likewise 90 percent of government loans to other governments have already been restructured.

Finally I can announce today that subject only to final verification, we have already successfully met the performance criteria for the period up to the end of December 1985. We can now go on to review the standby arrangements with the IMF during the latter part of February.

The successful implementation of the stabilization program is one factor raising the prospects of the economy this year. The other key factor in this, we believe, is a major achievement, is the laying of the infrastructure for a more, a more efficient business, um, sector.

This is the real import of all that we have done in the areas of infrastructural development, energy development, strengthening of the financial system, export promotion and development, countryside, and small-scale and medium-scale industry development. You will see the thrust of our economic programs if we look at the allocation of government expenditures to specific programs during the last 20 years.

Let me be brief. From 1965 to 1985, the government spent a total of 265.8 billion pesos, 67.9 billion is the first of the eight major programs, uh, or 25 percent was spent for education. Democracy cannot thrive in an atmosphere of ignorance. Sixty-five point three billion pesos, or 24.6 percent, on energy self-reliance; 37 billion pesos or 13.9 percent on transport and communications; 31.3 billion pesos or 11.8 percent on food self-sufficiency; 27.1 billion or 10.2 percent on water resources; 20.1 billion or 7.6 percent on health; 12.3 billion pesos or 4.6 percent on livelihood and housing; and 4.8 billion pesos or 1.8 percent on agrarian reform.

Complementing these investments in social overhead capital, our investments in human resources and welfare are bearing fruit. Literacy is at its highest today. The latest statistics quote the literacy rate when I became president in 1965 as a mere 62 percent. Today, nationwide, it is 92 percent, and in Manila it could very well be 97 percent.

Skills training is paying off, and income in relation to prices over the period from 1970 to 1985 has been rising on the average of 1.1 percent annually at constant 1972 prices. The economists and businessmen in this group know that in the study of prices, there must be a comparative study of income; this the opposition never bothered to do.

These indicators provide the context in which we can plan to meet the challenge of economic recovery and development. The crisis is still with us, of course, but we have shown our capacity to manage it.

Now what are the challenges over the medium term and long term? [coughs] We believe that economic planning in our case must take both a medium-term and long-term view of the economy so that what do at every step of the plan takes meaning from a broad conception of the kind of society we aspire to be. The continued construction of productive sectors highlight the need for concerted efforts to make up for the enormous ground that has been lost during the last 24 months against a backdrop of an unfavorable prospects for commodity prices, and heightened protectionist measures. Economic recovery can only originate from within this economy, stimulated by favorable domestic policies under a strong, purposive leadership.

It is now imperative that government direct its resources and attentions to the revival of economic activities. To this end, we shall reopen and rehabilitate distressed industries, enlist the support of the banking system behind this effort, and reinstate those workers who have been displaced. [words indistinct] Government will seek to provide the economic incentive, the social coherence, and the political will to ensure stability with growth and equity.

While continuing to address the adverse effects of the crisis, we will also look beyond the immediate future toward the attainment of long-term goals. Enlisting the participation of all, we will build upon the gains of the stabilization program, continue the policies that have proved effective and beneficial, and modify or replace those that have been ineffective or detrimental.

We will continue previous strategies that have reaped rich benefits, such as the revitalization of agriculture, improvement of the efficiency of domestic industries, improvement or increase in productivity, and enhancement of the quality of social service delivery.

Our medium-term plans focus on areas where immediate or remedial action is needed, consistent with the specific areas of concern in our long-term scheme.

Our long-term vision of the future is centered on the satisfaction not only of the material necessities of life but also the spiritual and social needs of our people. When I first became president, I looked around and I discovered a great number, substantial number of our people indifferent, uncommitted, and worst of all, resigned to desperate hopelessness, unwilling to lift a finger to improve their lot. Our purpose has been to, um, involve them in the recovery of their identity as a Filipino and to instill in them pride in their past. As a student, I was desperate, knowing that the colonizers had almost succeeded in wiping out all the monuments of our past, monuments that indicated that we should be proud of that past. This became the move to follow our roots, not only into Asia, but into all kinds of, um, cultural knowledge, in order that we may know who we are and whether we should be proud of what we are, and this we did.

When returning or giving back some lots to the squatters and slum dwellers, I did say we fight the second battle of Bankusay, against all the factors that interface with our growth. And in this battle of Bankusay, the second battle, we return to you not only a piece of land, we return to you one of the most valuable things in life, your dignity as a Filipino. This included the security of an income-earning occupation, and they were taught (?occupational) knowledge, and adequate education, and the pupils in the public schools increased from 3 million to 14 million, with an increase in school houses to boot, sufficient food and access to social amenities, which is often taken for dignity.

Measures will be taken to ensure that the benefits of our efforts will reach remote regions the country and the poorest segments of the population. In the long term, growth is clearly not the only objective, for of even greater importance is the democratization of social and economic opportunities, which substantiate our vision of social justice and equity. And yet we do not encourage class war. It is not the intention of this administration to bring down the upper classes of our people to the level of, um, what some economists have called the pristine, virgin, original man. Everybody equally ignorant, poor, and uninterested and unreformed spiritually. Rather it is the purpose of this administration to raise the poorest of the poor, in order that they may have the opportunity to develop their God-given endowments, and that there may be social mobility in our society.

This will in turn create the preconditions for the social and political stability so essential to sustained growth. For the government shall support not only the poor but the middle class and the business groups as well as the higher classes of our people. We propose to address these objectives to a number of long-term strategies that are closely tied to our medium-term recovery program.

First, the experience of the 1983 crisis has taught us that our financial resources may not always suffice to provide for all our needs for all classes of our people. Therefore we are giving top priority to the planning of our population. Our policy in this regard will be to strike a balance between improving the lives of the present generation and assuring the transfer to future generations of the benefits of the constraints of the global economy, we will have to expand our domestic financial base.

Second, our natural resources comprise of precious and oftentimes irreplaceable treasures that must be conserved and most carefully utilized with a view to the preservation of the national [word indistinct]. We will therefore harmonize all our development programs, particularly those for land use, natural resource management, and human settlement, with the ecological system.

Third, the provision of basic needs remains a paramount concern, particularly nutrition, health, education, and employment, addressed at probably the 30 percent, the lowest classes of our people.

The coverage of social services and livelihood programs will be further widened to serve rural and agricultural or subsistence communities. Education and employment programs will be more closely integrated to respond to the needs of the market. [passage indistinct] the aggressive production of light manufactures and the development of small, medium industry that the labor force likewise moves from primary agriculture to non-agricultural occupations.

To keep up with the demand for increased productivity, scientific and technological skills and innovations will be developed. We will differentiate clearly between production strategies requiring long lead times and those that do not, because we can achieve better [words indistinct].

So you see, our long-term plan envision the evolution and proliferation of [words indistinct] responses and [words indistinct] development institutions. We will [words indistinct] the growth of the public sector and to allow the private sector greater leeway [words indistinct] specific instrument to carry out our development program. As most of our development programs have strong regional and rural orientations, [passage indistinct].

What are the specific areas of concern right now? I have sketched here briefly the broad outlines of our economic program. It remains now for me to address specific areas of concern, and the particular policy or policies that we propose to follow [words indistinct].

First, I want to affirm unequivocally our firm commitment to free market. We believe that the key to national economic recovery and growth lies in allowing the fullest play to private enterprise and initiative. We will maintain what is already our policy, that of prohibiting the growth of monopoly in any sector of the economy. As has been well said, monopoly is business at the end of its journey. Incidentally, the allusion to monopoly in the sugar and coconut is a little tardy. If there were ever any monopolies at all, and there were none in the coconut industry -- all the stockholders of UNICOM [United Coconut Mills] were the planters and producers of coconuts [words indistinct] because Unicom has been already, um, disbanded. And sugar has now created a new private instrument or group operation which will handle the problems in the sugar industry. This is of course Philsuma [Philippine Sugar Manufacturing and Trading Corp]. In addition to that we also say there will be no favored sectors or interests in our economic life. [Passage indistinct.]

Second, we shall accelerate the sale of private corporations that have been acquired by the government from the private sector. [Passage indistinct] again we urge you to seize these opportunities to take on new ventures and forge a partnership for the future. The government can assist you in the acquisition and [words indistinct].

Third, I categorically pledge to you now that there will be no new taxes in the event of a new mandate for our administration. [applause] I will oppose new proposals for taxes, and please don't look at the prime minister when I say that [laughter], but I will press for better collection of existing taxes.

I believe that, um, you are aware that we have reduced, um, the sale tax in some areas from the 20 percent that it was raised to, to 10 percent, and the manufacturers, um, sales tax from 3 percent to 1 and 1/2 percent. The key I think to greater government revenue is more effective collection. It is fact that today we collect only 50 percent of every peso collectible by the government. If it is any consolation to you, this is very close to the collection, um, rate of most countries.

With respect to the new taxes that we have implemented early this year, let us remember that the main thrust of these (?measures) in taxation is to transform revenue and duties being collected by the bureaucrats and to [words indistinct] taxes. Our main objective is to stabilize the income of government. The net effect on social revenue is neutral.

We considered at first a series of turnover taxes, and um, the business sector was, um, asked and, ur, in the process of decisionmaking. [words indistinct]. What eventually happened was that we simplified the manufacturers' sales tax and then added a turnover tax of 1.5 percent.

Fourth, we will intensify our antismuggling drive in order to provide greater protection and support for our domestic industries. This campaign is to include the concerted efforts of the [words indistinct], the Bureau of Inland Revenue, and the Customs. There is room for more improvement. And the key is [words indistinct] professionalization of those services charged with checking smuggling. This is a matter of priority, and what we envision will be a major effort to revitalize the government bureaucracy.

Fifth, we have recently passed an antidumping law to prevent the unrestricted dumping of anything of cheap and undervalued imports into the country. You may be assured that we will fully utilize this check to unfair trade practices, and provide domestic industries with adequate protection.

Sixth, we will continue to provide full support to our export sector. It is well known that we are already vigorously supporting this sector. Now, in addition to finance, we are going to create an export credit guarantee and insurance facility so that exporters can avail of cheaper financing. Further we shall continue to cut back on red tape and speed up the processing of papers.

Seventh, with respect to the Philippine National Bank [PNB] and the Development Bank of the Philippines [DBP] let me announce here and now that we will do everything, although I have not yet fully consulted, um, the business sector, nor the Prime Minister, nor the governor of the Central Bank, we will try and stop this merger of the two government, um, um financial institutions [words indistinct]. The efforts at strengthening those institutions by removing what one has called our other NPA problem, the non-performing assets. So while tapping the strength and viability of the PNB and the DBP, we shall transfer these assets to a government [word indistinct]. It shall then dispose of its services as if to the private sector.

I want to say a few words about the agricultural incentives deal, that is gathering dust in the Batasang Pambansa. This deal has been discussed for so many months now, with no result, and yet the world is supposed to have been created in only 7 days. We shall make it an urgent priority of parliament to let this legislation through upon its reconvening in the aftermath of the election. You may be assured that I will promptly sign it into law. Please remember that the KBL [Kilusang Bagong Lipunan] controls the great majority of the members of the, um, Batasang Pambansa.

Finally, let me say something about the import liberalization program which is of such concern to you in the private sector. First of all let us remember that we started the gradual implementation of this 5-year program way back in 1980, and this was envisioned to be completed by 1984. And on requests and petitions, we postponed its completion from 1984 to the end of 1985, and this has been again postponed for 2 months, up to the end of February. [Words indistinct] of our manufacturing sector and [words indistinct] to make appropriate adjustments to the program. Even so, let me say now that we will carefully watch and consider the situation when the matter comes up for final review in February. We will continue to postpone the program, perhaps for another year, but we will have to make an early (?incentive promise) [passage indistinct].

It has been pointed out that some elements of this economic program are no different from what the opposition has advocated. Perhaps it should be said the other way around; the opposition's program is no different from the program of the administration. Of course, it is not our fault. Indeed it may well be that this is the biggest compliment that has ever been paid the administration [words indistinct] that what the critics and the opposition are advocating in the economic sphere are actually targets that have already been won or partially won, and the momentum is there.

Now, let me talk about the partnership of business and government. All that we have cited here so far related finally to the decisions we take about the role of the private and public sectors of national life. We believe in sum that we must strengthen enterprise, let that be the principal weapon of reformation as well as of progress. And we shall encourage entrepreneurial initiative in the pursuit of these developments. On the other hand, we believe that government's role is that of coupling, and not of replacement for certain market forces.

The problem of finding the proper balance for partnership between the private and public sector is really a critical area of policy [words indistinct] and I quote him, one of the finest problems in legislation is to determine what the state ought to take upon itself to direct the public wisdom, and what it ought to leave to the people [words indistinct]. The issue is never so simple as that of leaving the private sector wholly alone to minister to the needs of the economy, for that would bring government into every nook and cranny of the economy, so much so that it gets over-burdened by details. In the first there is the danger of inaction, in the other there is the [word indistinct] of too much activism and intervention. We must find the proper balance between these two extremes, and from there formulate what should be the right partnership between business and government.

Manifestly, we cannot, in the face of present opportunities and challenges, simply go for a policy of merely sitting down and watching how the economy will fend for itself. We cannot afford a policy of doing nothing, because there is no certitude that this or that initiative will work. We reject a policy of [word indistinct] and never risking a thing. For these are the slogans of (?degradation), inertia, and decay. These are the timidities and fears of [words indistinct]. The only limit to our realization of tomorrow will be our doubts of today.

So what is the economic [word indistinct]? What I am leading up to is a crucial introspection of economic [word indistinct], the point where the work of the economist and the work of the political leader meet. Economic plans and programs do not have a life of their own. Political will and leadership must breathe its life into them and allow them to [word indistinct]. As in so many aspects of public policy, John Maynard Keynes saw this situation quite lucidly, and I quote him, the chief task of economists is to distinguish (afresh) the agenda of government, and the continued task of politics is to devise the forms of government within a democracy which shall be capable of accomplishing that agenda.

In the situation we face today, I recognize as paramount the need to forge a new working partnership between business and government, as befits the times, the challenge, and the opportunities. Our horizon of policymaking for the next 6 years and on up to the end of this century has need of what both economists and politicians, the manager and the leader, can contribute. It has need of the fullest interplay between private and public sectors in the country, and from such interplay we must then try to set our course toward the future.

Just as great statesmen are needed to steer the affairs of a dynamic society, so we are reminded by the philosopher Alfred North Whitehead, and I quote him, a great society is one in which men of business [words indistinct] their function.

They do not think [word indistinct] or in small terms. In the critical decision that now awaits our people, it is perhaps not possible for all of us to agree upon a single choice. That is part of our democracy. We shall [words indistinct] our real differences, some of them [word indistinct] and bitter. And our dialogue today, while permitting for greater understanding, for which I hope, cannot fully harmonize them. This is the essence of our free, open, and plural society.

But may I say that the truly important thing to remember is that when the campaign and elections are over, whatever the differences they may engender among us, we shall gather together for the [word indistinct] or our republic and attend to the business of our nation as one.

To each and every one of you, thank you again for this opportunity to speak before this group. God be with you. Thank you. [applause]

'BAD WEATHER' POSTPONES MARCOS' MINDANAO TRIP

HK230530 Hong Kong AFP In English 0523 GMT 23 Jan 86

[Text] Manila, Jan 23 (AFP) -- President Ferdinand Marcos has postponed a campaign sortie tomorrow to the rebellion-torn southern city of Davao on Mindanao Island because of bad weather there, it was announced here today.

Information Ministry official Vic Tuazon denied suggestions from various quarters that the indefinite postponement was due to the alleged failing health of the 68-year-old president, who is rumored to have a degenerative disease that affects the kidneys. "The weather is not very good in Davao," Mr Tuazon said, adding: "We have to consider the security of the president. The security (men) would not risk flying the presidential party" in that kind of weather.

Mr. Tyazon told AGENCE FRANCE-PRESSE the president's scheduled trip to the central city of Cebu on the same day was also postponed because his schedule dictated that the two cities be covered on the same day. He noted that Mr. Marcos' opponent Corazon Aquino, who had called the president a "coward" for not visiting Mindanao in the "last 10 years," herself had to cancel two rallies in Marawi and Iligan cities the other day due to heavy rains.

Davao, 940 kilometers (564 miles) southeast of Manila, is one of the most violent cities in the country, with 878 fatalities in incidents recorded last year. The city is a stronghold of communist New People's Army guerrillas. Press reports here have said radical left-wing oppositionists who advocate a boycott of the February 7 poll were readying a general strike to greet the president's arrival there.

Columnist Speculates on Health

HK220947 Manila BUSINESS DAY in English 21 Jan 86 p 4

["Bottom Line " column by Gaby Manalac: "A Switcheroo"]

[Text] A coffee and lunch group at the Peninsula Hotel Lobby invariably end their daily tete-a-tete on a light note. Expectedly, their humor nowadays centers on the elections.

Thus, to them, KBL means Kay Biyuda at Laurel (for the Widow and Laurel). On the crowds that the two presidential aspirants draw, the number of people in Cory's rallies is described as katakot-takot (tremendous), while those of Mr Marcos as hakot ng hakot (herding them in).

And then there is also the difference between President Magsaysay and Mr Marcos. Magsaysay used to jump over fences to greet people. On the other hand, my favorite political pundit and punster says people jump over fences to get away from Mr Marcos.

The jokes about both candidates are endless, although Mr Marcos expectedly gets the brunt of them. But what is not so funny and which I believe is a serious issue that has to be resolved immediately is the President's state of health. There have been far too many reports on how fragile is the health of the President that the credibility of the coming elections has become suspect.

Foreign correspondents covering the campaign claim they have on film and in color shots of presidential nose bleeds on at least two occasions. The latest report, which has been denied by a Palace spokesman, was bleeding from both hands of the President which are usually taped with Band Aids.

There have also been consistent reports about deficiencies in his urinary bladder, or possibly, his kidney, which causes involuntary wetting. Some weeks ago when he went to the Philippine Military Academy in Baguio City, it was reported that a special portable toilet had to be installed behind the platform on which he was to deliver a speech.

Last Thursday, I listened for some time to the President's speech in Pangasinan in which he recounted Ninoy Aquino's supposed involvement with the communists and how and why he ordered the liquidation of rebel commanders Melody and Pusa.

It was a fascinating tale, however difficult to believe. What concerned me, however, was not whether Ninoy actually consorted with communists but whether the cracked quality of the President's voice presaged another one of his ill spells that would again force him to withdraw from public appearances.

Even if I am not a doctor, I could certainly tell that there was a big difference between the volume and quality of his voice last Thursday and the almost booming tone he displayed during last June's Independence Day celebrations.

The issue, therefore, boils down to whether or not Mr Marcos is healthy enough to re-assume the presidency in the event that he should win over Cory Aquino next month. If he is more seriously ill than he or his family would like to admit, then he may be doing the country an unforgiveable disservice by running because he will have gotten people to vote him into office, only for him to later abandon that office because of illness. If he is ill and he knows it, and he still goes after the mandate of the people, then this will amount to a deliberate deception of the people.

On the other hand, if he does know that he is ill and that his current campaign is all part of a grand design to replace him with a substitute candidate just before February 7, then it will likewise be a deception and an imposition on the people of a candidate for whom they may not have wanted to vote.

This may come about because the most logical candidate substitute would be Mrs Marcos whose name would be the same as that of the President and would therefore not affect Marcos votes, especially if the switch is done one or two days before Feb. 7th.

If Marcos, however, would really have been a winner, the victory of a last-minute substitution with a Marcos name need not mean that the people actually wanted or even voted for that candidate.

And what of the KBL party? Will its leaders and members allow such a possibility? More important, are they now aware of such a possibility and have they agreed to it?

If, on the other hand, they are not part of such a grand design, how will they react to such a switch?

It has become imperative therefore that the staff of doctors attending the President should make an immediate public announcement on the state of Mr Marcos's health. Moreover, I think that there immediately has to be some very categorical statements on the issue from both the President and Mrs Marcos, and from the majority party leaders.

Mr Marcos could very well win this election. The people, however, have the right to know whether they are voting into office a man healthy enough to steer the country through its worst crisis, and not a last-minute substitute with the same name.

MARCOS TO REORGANIZE GOVERNMENT AFTER ELECTION

HK221213 Quezon City Maharlika Broadcasting System in English 1100 GMT 22 Jan 86

[Text] President Marcos says that a top-to-bottom revamp of the government will get under way right after next month's presidential elections. Other details from Malacanang correspondent Jun Asigue.

[Begin Asigue recording] President Marcos today disclosed that there would be reorganization of the government after the February 7 special elections. The chief executive made this disclosure in an interview with newsmen as he prepared Malacanang for the KBL rally at Quezon City this afternoon.

Under the reorganization act, the power of reorganization is vested in the president, Mr Marcos said. The chief executive stressed that he has been reorganizing the government under this power, but the opposition has not been able to bring this up to the Supreme Court because the interpretation of the high tribunal supports the constitutionality of the power.

President Marcos chided opposition presidential candidate Cory Aquino to be ignorant of the law, when she said that she would use Amendment No. 6 to reorganize the government. Mr Marcos said the opposition is certainly ignorant of the law because the president does not need Amendment No. 6 in reorganizing the government. The chief executive referred to a statement made by the opposition candidate during her speech in Davao that she wants to reorganize the government using the said amendment. [End Recording]

OPPOSITION MP ARRESTED FOR KIDNAP, MURDER

HK230845 Hong Kong AFP in English 0838 GMT 23 Jan 86

[Text] Manila, Jan 23 (AFP) -- Opposition M.P. Jolly Fernandez and 10 other local opposition leaders have been arrested by the paramilitary constabulary on charges of kidnapping and murder, the opposition said today.

Mr Fernandez and 10 Unido leaders in the island province of Masbate south of here were arrested yesterday, opposition presidential candidate Corazon Aquino's United Nationalist Democratic Organization (UNIDO) said. Constabulary officials here could not immediately confirm Mr Fernandez' arrest. National Assembly Secretary General Antonio de Guzman could not be reached for comment.

Unido spokesman Lito Banayo told AGENCE FRANCE-PRESSE that Mr Fernandez was being held at the Masbate Constabulary commander's office on charges of kidnapping and murder, and his petition for bail was denied. His co-accused were detained at the constabulary stockade, Mr Banayo added. The spokesman gave no further details of the charges levelled against the 11 accused.

Mr Fernandez, chairman of the UNIDO chapter in Masbate, was actively campaigning for Mrs Aquino and her running mate Salvador Laurel for a February 7 presidential election before their arrest, he said.

TROOPS DEPLOYED IN MINDANAO FOR AQUINO RALLY

HK221255 Hong Kong AFP in English 1232 GMT 22 Jan 86

[Excerpts] Butuan, Philippines, Jan 22 (AFP) -- Opposition presidential candidate Corazon Aquino campaigned in an atmosphere of tight security today in the strife-torn southern Philippines, amid reports of a planned assassination attempt. About 40 troops were deployed at Butuan Airport and more along the road leading to a rally site in the town in Mindanao Island, eyewitnesses said.

About 20,000 people turned out to hear her deliver a speech focussing on the 1983 murder of her husband and leading opposition figure Benigno Aquino, independent observers said. A second planned rally in Mrs Aquino's campaign for the February 7 presidential election in Mindanao today was cancelled, but opposition spokesmen refused to give a reason, reporters at the scene said.

Scores of troops and private security guards were on hand in Marawi and Iligan yesterday before Mrs Aquino's scheduled arrival, and said they had received reports from Manila that an attempt might be made on her life. Mrs Aquino was forced to cancel both rallies yesterday as she was unable to reach the towns due to bad weather, reports from Cagayan de Oro said.

President Marcos today campaigned in nearby Quezon City and ordered the development of slum districts there inhabited by about 200,000 people. He reiterated that Mrs Aquino had no knowledge of the law and no business running for president to a crowd estimated by independent observers at 30,000.

Information Minister Gregorio Cendana told reporters before the rally that the government was "initiating reforms in the military even if (Armed Forces chief) General (Fabian) Ver is in the service."

Washington yesterday signalled disapproval of a refusal by President Ferdinand Marcos to set a date for Gen Ver's retirement.

Earlier today, supporters of Mrs Aquino picketed the home of the government election commission's chairman and a government-owned television station to press for equal media access in the election campaign. Commission on Elections (Comelec) chairman Victorino Savellano angrily confronted protesters who were carrying placards and streamers outside his house in nearby Quezon City and demanding his intervention against alleged unfair media coverage of Mrs Aquino during the campaign. The protesters later occupied the street fronting the government-owned Maharlika Broadcasting System (MBS) to condemn what they called its "biased" reporting for Mr Marcos.

The government's Commission on Elections (Comelec) today ruled that a petition from Mrs Aquino's lawyers for equal time on MBS should be heard, reporters at the scene said. The point at issue was whether the news coverage was played for political purposes as alleged by the petitioners or whether they were accounts of newsworthy events, as claimed by MBS, Mr Savellano said. An earlier move by the commissioners to persuade the two sides to settle for a total of two hours of coverage for Mrs Aquino was unsuccessful.

Constabulary Chief Lieutenant General Fidel Ramos today ordered an investigation into an alleged plot to kill Mrs Aquino in Marawi, constabulary headquarters said here.

AQUINO, LAUREL ON MUSLIM AUTONOMY, ECONOMIC PLAN

HK230025 Manila Far East Broadcasting Company in English 2300 GMT 22 Jan 86

[Text] Presidential contender Corazon Aquino plans to modify the regional autonomy setup in Mindanao. Local leader Sali Wali said Mrs Aquino made the announcement in a press conference with local and foreign newsmen in Zamboanga City Sunday night. Planned to be modified are areas where Muslims constitute the minority, that will precipitate a civil strife and grave diplomatic problems for the Philippines. He said that according to Mrs Aquino, although she respects Muslim tradition and culture, it would however be unfair to Christians, who constitute the majority in any area, if the Muslims would enjoy benefits under an autonomous setup at the expense of the Christians.

In another opposition plan, vice presidential candidate Salvador Laurel disclosed in Bacolod City the eight opposition priority measures to ease the decline of the economy. Laurel bared the economy measures in a dialogue with sugarcane planters and businessmen. Laurel cited what he called an eight-point program, and these are: Jobs for the jobless; food production; genuine land reform; restructuring of foreign debt; wage adjustment; reversal of the fiscal and monetary policies of the government; dismantling of all monopolies; and stamping out graft and corruption.

The former senator said 15 percent of the labor force are unemployed, while 43 percent are underemployed, a condition which, Laurel said, favors the growth of insurgency.

ARMY REFORM GROUP HOLDS ELECTION 'PRAYER-SEMINAR'

HK221039 Manila BUSINESS DAY in English 21 Jan 86 p 23

[Text] The first of a series of prayer-seminars for clean and honest election organized by the Reform AFP [Armed Forces of the Philippines] Movement (RAM) was held Saturday at Camp Aguinaldo with some 600 soldiers and a few dependents attending.

A seminar set for Tuesday last week did not push through reportedly when Armed Forces chief of staff Gen Fabian C. Ver failed to show up in a pre-seminar dialogue with the reformists. But Navy Capt Felix Turingan, the reformists' election subcommittee chairman, said the seminar was postponed because it was scheduled at Camp Crame in Quezon City and the organizers thought it more fitting to launch it at the AFP general headquarters. So the first prayer-seminar was moved for Saturday and the venue was changed to Camp Aguinaldo. Nevertheless, Turingan said, the Camp Crame seminar will be held late this week. He added that the AFP reform group has sent a team to the different military camps in Baguio, Angeles, Lipa, Legazpi, Cebu, Cagayan de Oro and Zamboanga to arrange for the succeeding prayer-seminars.

The reformists announced their plan to hold the seminars two weeks ago. Billed by the organizers as a nonpartisan activity, the seminars are aimed at explaining to soldiers and their dependents how crucial that the Feb 7 snap presidential election be clean and honest.

In last Saturday's seminar at the Camp Aguinaldo grandstand, Postmaster General J. Roilo Golez spoke on how crucial the Feb 7 election is. Another speaker, Samuel Barangan, a lawyer from the Commission on Elections (Comelec), exhorted soldiers to be familiar with the election issues. The seminar started with ecumenical prayers led by chaplains from the different denominations. Present during the seminar were Brig Gen Eduardo Ermita of the AFP Civil relations service, the camp commander and a number of retired generals, including former 1st PC [Philippine Constabulary] Zone commander, Gen Luis Villareal, who have thrown their support to the RAM prayer-seminars.

In his speech, Golez, a colonel until he resigned from the military to run in 1984 elections Batasan, said it is important for soldiers to "think with all sobriety" the issues in next month's election because they will be deciding not only the presidency but also the fundamental structure of the government.

COMELEC MAY NOT DEPUTIZE ARMED FORCES FOR POLL

HK220510 Manila METRO MANILA TIMES in English 21 Jan 86 p 2

[Text] The Commission of Elections (Comelec) may not deputize the Armed Forces of the Philippines (AFP) for poll duties in the Feb. 7 election. It was noted that with only 16 days left before Election Day, the poll body has yet to meet en banc to take up the deputation of the AFP.

However, Gen. Fabian C. Ver, AFP chief of staff, said the Comelec was studying the deputation plan. In his remarks to Ver and other top AFP officers, Comelec Chairman Victorino Savellano said that "no less than the name of the Republic is at stake in the coming elections."

Savellano said that while he did not doubt fairness of the AFP, the outside world might misinterpret its deputation for something else. Savellano and the Comelec commissioners were briefed last Friday by Ver on the peace and situation in the country in relation with the Feb. 7 election.

The PC-INP [Philippine Constabulary-Integrated National Police] was among three agencies given deputation orders by the poll body. As Comelec deputy, Lt. Gen. Fidel Ramos, the PC chief and director-general of the INP, was placed under the Comelec control and supervision. The PC-INP regional or provincial command may just tap members of the AFP Regional Unified Command (RUC) when the need arises.

Earlier, the poll body said AFP troops would be restricted to their barracks. Ver sought a reconsideration of this decision, saying that the troops might not be able to meet the threats of the New People's Army (NPA).

At least five groups are threatening to disrupt the coming elections. In addition, the troops cannot vote anywhere they please as in previous elections.

VER REVEALS COMMUNIST INDUSTRIAL DISRUPTION PLAN

HK230023 Manila Far East Broadcasting Company in English 2300 GMT 22 Jan 86

[Text] On the insurgency problem, AFP Chief of Staff General Fabian Ver bared yesterday the Communist Party and NPA objective of disturbing industrial peace through the use of false labor leaders and riding on issues that instigate fire in workers' ranks. Gen Ver disclosed that the major targets of the Communists are the business and political sectors. He said these are being pursued through agitation in the labor sector.

Gen Ver discussed the Communist strategy in addressing the opening of the trisectoral conference on security at the Manila Hotel. One thousand delegates from the security, industry, government, and business sectors are attending the security conference.

Gen Ver said the NPA strategy calls for armed fighting in the countryside and subversive actions in the urban sectors.

MARCOS CONTEMPLATES USE OF ARMY IN TROUBLED AREAS

HK210444 Manila METRO MANILA TIMES in English 20 Jan 86 pp 1, 2

[Text] President Marcos yesterday said the government may ask the Commission on Elections [Comelec] to allow the armed forces to operate even during the election campaign period in areas menaced by the partisan activities of the communist New People's Army, including Metropolitan Manila.

The President told newsmen in an interview before enplaning for Tagbilaran City yesterday he had received reports that the NPA's were "very active" in areas around the country, including those considered as bailiwicks of the ruling Kilusang Bagong Lipunan.

He identified the NPA-threatened areas of Cagayan, Kalinga-Apayao, and Pangasinan in the North, the Negros provinces and Iloilo in Panay, Quezon in Southern Tagalog, and Albay and Camarines Sur in the Bicol region. He also quoted Political Affairs Minister Leonardo B. Perez as saying that the situation in Nueva Vizcaya was becoming untenable because of NPA activities, particularly in the western towns like Villaverde.

The President said the unusual activities of the NPAs at the height of the election campaign convinced him that the announcement by the communists that they were boycotting the elections was only a ploy to mislead the government. "I do not believe their story about boycotting the elections. Apparently, this is the last card of the opposition," the President said.

To counter this threat, the President said he has asked government lawyers to study the possibility of asking the Comelec to allow the military to operate against the NPAs "in areas where they are reported not only to have intimidated the people, but are also aiming at the strongholds of the KBL."

Asked whether the special military operations would include Metro Manila, the President said the government had placed on red alert the Metropolitan Command (Metrocom) and other special reaction forces to deal with any contingency. However, he said military operations in the metropolis would likewise have to have the special authority of the poll body.

On a related subject, the President said he was leaving to the Comelec the decision to suspend the elections should there be widespread trouble before or on election day. Mr Marcos said that while he would not encourage suspension of any election, the matter was up to the Comelec to decide at the proper time, on the recommendation of the defense ministry and the armed forces.

Meanwhile, the Marcos-Tolentino Movement yesterday assailed the opposition for insisting on the publication or broadcast of its political ads which it said were "seditious, inflammatory and offensive to public morals, decency and fair play." Mat Defensor, spokesman of the nationwide support movement, said most of the political advertisements of the opposition were calculated to "sow hatred among the people to the extent of making people take the law into their own hands and to defy public authority."

Defensor pointed out that newspapers and broadcast stations had the right to reject any advertisement that is contrary to their editorial policies or that are offensive to public morals, good taste and fair play. The ads were found to be repulsive especially to minors, Defensor added. He specifically cited the recent advertisement of the opposition which included gory pictures of Fr. Oulio Favali and the Escalante massacre which he said were in poor taste and injurious to public morals.

Defensor said the trial of the suspects in the Favali killing was going on and that a fact-finding committee has recommended the indictment of those involved in the Escalante massacre.

VER SPECIFIES ELECTION RESTRICTIONS FOR MILITARY

HK180213 Manila BULLETIN TODAY in English 17 Jan 86 p 10

[By Jose de Vera]

[Text] Gen Fabian C. Ver Armed Forces [AFP] chief of staff, ordered all military personnel yesterday to refrain from issuing statements on political matters that are not within their competence or authority.

The restriction, the Armed Forces general headquarters said, was aimed at avoiding public misconceptions that might be created on AFP official positions or cause misunderstanding and confusion.

The order was one of several which Ver spelled out in guidelines he issued to AFP personnel in connection with the Feb 7 elections. He also exhorted all members of the military to observe proper decorum. He urged them to "adhere strictly to the policies and guidelines as well as other pertinent provision of the Constitution and the various election laws."

The AFP chief said that the President has always stressed "that the role of the military and police personnel during the political campaign period, and the conduct of elections is to demonstrate that the first and only loyalty of soldiers is not to the person of the commander-in-chief but to the flag and country."

Ver also directed military commanders to institute necessary measures to impose disciplinary action on erring subordinates. Ver stressed that the role of the AFP is to ensure maintenance of peace and order and security to provide the conditions under which the people can freely participate in an honest, orderly, peaceful and clean elections.

Other items spelled out in the guidelines issued by Ver: All AFP personnel must remain neutral or non-partisan and should not take sides in any political issue nor campaign for or endorse any candidate. AFP personnel must refrain from organizing, engaging, and/or supporting movements, rallies and other political activities having to do with elections.

The AFP chief likewise ordered the activation of election monitoring centers to monitor AFP activities before, during and after proclamation of election winners in the elections. Called the "Election Monitoring and Assistance Center (EMAC), its offices will be set up at AFPCHQ at Camp Aguinaldo and each of the headquarters of the four major services -- Constabulary, Army, Air Force and Navy -- as well as the Unified Commands and Regional Unified Commands.

MILITARY BRIEFS COMELEC ON COMMUNIST THREAT

HK200243 Manila TIMES JOURNAL in English 18 Jan 86 pp 1, 2

[By Daniel Florida]

[Text] The military warned during a briefing yesterday for Commission on Elections officials that the Communist Party of the Philippines [CPP] and its New People's Army are the main threat to the peaceful, orderly and honest conduct of the Feb 7 election.

The warning followed an exhortation made by President Marcos the other day in Urdaneta, Pangasinan, for the people to be more vigilant in the wake of what he described as the increasing terroristic activities of the communist guerrillas. It also came on the heels of a report received by Camp Crame from the Iloilo PC [Philippine Constabulary] command that NPA rebels allegedly took Comelec registration documents from the Barasan Elementary School in Igbaras, Iloilo, Wednesday morning. The registration documents were being processed when the rebels barged in and then forcibly took them, the sketchy report said.

Yesterday's briefing in Camp Aguinaldo, which was presided over by Gen Fabian C. Ver, armed forces chief of staff, centered on the threats to Feb 7 election, and the AFP's [Armed Forces of the Philippines] capability to thwart these, as well as the preparations it has made for any poll duty that may be assigned to it by the Comelec.

Top military officials and intelligence officers told Comelec Chairman Victorino A. Sabellano and the commissioners of the poll body that the CPP-NPA is out to wage tactical offensive operations during the campaign period and on election day, force voters to boycott the polls and conduct other terror activities, like ballot box snatching. They said that the communist insurgency movement is also expected to boost their agitation-propaganda drive through such operations and activities.

Ver, Lt Gen Fidel V. Ramos (AFP Vice chief of staff and PC-INP [Integrated National Police] head), Maj Gen Josephus G. Ramas (army chief), Maj Gen Vicente Piccio (air force chief), Commodore Brillante Ochoco (Navy flag officer in command), members of the AFP General Staff, the regional unified commanders and other AFP and INP senior officers assured the Comelec officials, however, that the AFP and the police force are prepared to counter all these. The assurance was substantiated by a report from Camp Aquino in Tarlac yesterday that army troopers had just dismantled five rebel camps and killed six communist terrorists, captured three others and wounded an undetermined number of others in a series of operations in the mountain ranges of Abra.

Lt Col Gregorio Asuncion, 45th Infantry Battalion commander, reported to Brig Gen Antonio C. Palafox, 5th Infantry Division commanding general, that the team of his unit under Lt Danilo Estropa raided an NPA camp in a forested area near the boundary of Lacub and Malibcong towns after being tipped off by local residents who had discovered the NPA lair. TIMES JOURNAL correspondent Roger Alagano, quoting Asuncion, reported that some 20 rebels believed led by Leo Varona, alias "Rambo," shot it out with the raiding army troopers. Six of the rebels were killed and several others, possibly including "Rambo," were wounded in the firefight which lasted for about 10 minutes. Three others were captured. "Rambo" and the other wounded rebels managed to escape.

Before this, troopers from the 45th Infantry Battalion had discovered four abandoned NPA camps in the jungles of Mt Tumalpas and Mt Bumalaya in Malibcong town. Asuncion reported that the camps, believed used by NPAs in their training activities, had several bunkers and foxholes and guard posts.

Ver, in yesterday's briefing for the Comelec officials reiterated that the AFP "will strictly adhere to its avowed neutral role" in the election, adding that the AFP, INP and Civilian Home Defense Forces "will not engage in any partisan political activity." He also ordered the regional unified commanders to:

-- Provide "all-out" support to the PC-INP which had been deputized by the Comelec to perform election duties, particularly law enforcement.

-- Submit to the Comelec regular assessment reports on critical situations and recommendations for measures needed to meet the problems.

Sabellano, on the other hand, cited the AFP for its assistance to the poll body in working for peaceful orderly, honest and free election.

Meanwhile, General Ramos ordered a thorough investigation of the killings of four persons -- two in Tarlac and two in Pampanga -- to determine if these were politically motivated as claimed by certain quarters in the opposition. He organized a composite team of representatives from the PC Criminal Investigation Service, PC Judge Advocate Office, Constabulary Security Group, PC-INP Criminal Laboratory Service and other PC-INP units to investigate the killings.

Killed in Capas, Tarlac, in an ambush Wednesday were Jeremias S. de Jesus, a Unido Municipal coordinator, and Alberto Briones. Earlier, the bodies of Jesus Miranda and Renato Santos, said to be opposition supporters, were found on a road in Baranggay San Vicente, Sta Rita, Pampanga.

Camp Crame yesterday said that the Tarlac PC-INP command reported that De Jesus was former secretary and "henchman" of former NPA chieftain Benjamin Sanguyo, alias "Commander Pusa," who was slain in an ambush several months after he had surrendered to the government a few years ago.

In a related development, Tarlac Gov Federico D. Peralta chided the political opposition in the province "for putting political color" to the gunslaying of De Jesus and Briones. Peralta, in a press release issued by his office, said that "due process and fair play dictates that the Unido should have awaited the result of a full-dress investigation." Preliminary investigation showed that the killing of De Jesus "could be related" to the insurgency in Tarlac, Peralta added. As to Briones, "he was apparently hit by stray bullets."

From Cebu City, correspondent Nini Cabacro reported that the National Citizens Movement for Free Elections [Namfrel] has identified five election hot spots in Cebu that will need special monitoring during the election. Namfrel Cebu legal counsel and Integrated Bar of the Philippines-Cebu City chapter president Danilo Deen yesterday identified these "areas of concern" as Tabogon, Bogo and Danao City in the north, Balamban in the northwest and Santander in the south. These were pinpointed as "hot spots" based on alleged cases of election fraud during the 1984 Batasan elections. Deen said the Namfrel will assign three watchers in every poll precinct in Cebu.

Ramos Warns of Poll Disruption

HK201426 Hong Kong AFP in English 1424 GMT 20 Jan 86

[Excerpt] Manila, Jan 20 (AFP) -- Deputy military chief Lieutenant General Fidel Ramos said today more than 800 villages in our Philippine provinces were endangered by sabotage attacks from communist guerrillas, a television station reported.

Meanwhile, two more people -- a member of President Ferdinand Marcos' New Society Movement (KBL) and a supporter of opposition candidate Corazon Aquino -- have been killed in the presidential election campaign, reports said here. The killings, if both confirmed, would bring the death toll in violence in the February 7 election campaign to seven.

Lt Gen Ramos said communist New People's Army (NPA) guerrillas and Moro National Liberation Front secessionists may disrupt the vote in 820 villages in the provinces of Abra, Cagayan, Kalinga-Apayao, and Basilan, GMA Television said. The first three provinces are in the northern Philippines, where NPA guerrillas are known to operate, while Basilan is in the southern Philippines, the seat of the Moslem secessionist movement.

Lt Gen Ramos reportedly told officials of the government's election watchdog body, the Commission on Elections (Comelec), in a briefing today that the paramilitary Philippine Constabulary and the police had taken "pre-emptive action in those areas." The general heads the Philippine Constabulary and the police, which have been deputized by the Comelec as its law-enforcement arms. Constabulary spokesmen confirmed that the meeting had taken place early today, but could not confirm the report about the potential trouble spots.

Comelec Commissioner Ramon Felipe told AGENCE FRANCE-PRESSE today he would press for the disarming of the Civilian Home Defence Force (CHDF) to prevent it from being used for partisan purposes. The CHDF, a militia organised by Mr Marcos in the 1970's to help regular troops combat NPA guerrillas in far-flung villages, has been criticised by human rights groups for alleged abuses of civilians. Mr Felipe said that the election code banned CHDF men from wearing their uniforms or bearing firearms from the start of the campaign until 30 days after the vote, but that Armed Forces Chief General Fabian Ver had said he had not ordered the CHDF to be disarmed during the current campaign. The CHDF was placed under direct Comelec control Friday.

LOCAL KBL LEADER KILLED IN PANGASINAN PROVINCE

HK210415 Manila METRO MANILA TIMES in English 20 Jan 86 pp 1, 5

[Excerpts] Villasis, Pangasinan -- A ranking leader of the ruling Kilusang Bagong Lipunan (KBL) here was shot dead by a still unidentified gunman at the town plaza early yesterday.

Police identified the victim as Jaime Andaya, 44, barangay captain of Barangay Piaz, Villasis. He sustained a gunshot wound at the back of the head and died on the spot. Investigation showed that Andaya, father of five, was watching a band competition at the town plaza at around 3 a.m. when the suspect approached him from behind and shot him pointblank with a 45 caliber pistol. The gunman escaped as soon as pandemonium broke loose immediately after the shooting. He is now the object of a manhunt by a joint police-constabulary team.

Police said they were checking on a possible political angle as the motive of the killing. They are also not discounting the possibility that Andaya was killed due to personal grudge.

The PNA tried to interview the widow of Andaya at the Funeraria Valenia in Villasis, but she was still too distraught to grant one.

It was learned that the possible successor of the slain barangay captain is Ernesto Micu, the number one councilman of Barangay Piaz. Micu was scheduled to take his oath as new barangay captain before Vice Governor Conrado V. Estrella Jr. in Carmen, Rosales, sometime yesterday.

Death Toll Reaches 9

HK210711 Hong Kong AFP in English 0614 GMT 21 Jan 86

[Excerpt] Manila, Jan 21 (AFP) -- Violence in the Philippine presidential election campaign has claimed two more lives, police and opposition sources said today. The killing of an official of President Ferdinand Marcos's party and of a campaigner for opposition candidate Corazon Aquino brought the reported death toll in campaigning for the February 7 election to nine.

A leading member of Mrs. Aquino's Laban ng Bayan coalition, Bren Guiao, called the killings "alarming." Said Mr Guiao in a statement: "It is unfortunate that our political adversaries must resort repeatedly to violence in order to intimidate the people behind us. We just hope the people will not be cowed."

Six of the dead were Aquino supporters, two were members of the ruling New Society Movement (KBL), and the other was a passer-by killed with a grenade exploded near a Marcos rally.

Presidential palace and KBL spokesmen categorically denied involvement in the opposition supporters' deaths, but said they would not comment further on the killings until Mr Marcos had issued an official statement.

Police said a KBL official actively campaigning for Mr Marcos had been gunned down yesterday by masked men on a motorcycle in the Central Philippine city of Cebu. Police said they were looking into the possibility that the murder of Cebu Board member and KBL official Andres Borromeo, 42, was politically motivated as he and his wife had just left a Marcos campaign rally when two unidentified men intercepted the couple's car along the national highway. Mr Borromeo's widow said that her husband apparently knew his killers as he had tried to elude them, the police reported, but the gunmen caught up with the couple at an intersection.

Meanwhile, the opposition received a belated report that a campaigner for Mrs Aquino had died Thursday, after being shot in Nueva Province north of Manila, a spokesman for Mrs Aquino told AGENCE FRANCE-PRESSE. Mrs Aquino's spokesman said a village leader, whom they identified only as a Mr Legaspi, and an aide had been campaigning for the opposition in Neuva Ecija Province when armed men had fired at them January 11. Mr Legaspi died four days later. His aide is still in critical condition.

GOVERNMENT CONFIRMS RELEASE OF 2 'TERRORISTS'

BK180710 Manila PNA in English 0650 GMT 18 Jan 86

[Text] Manila Jan 18 (PNA) -- The Defense Ministry has confirmed reports that President Ferdinand Marcos has temporarily freed from jail two persons convicted by a military court for conspiring to assassinate him.

Released last Jan. 15 from the national penitentiary were Eduardo Polaguer and Othoniel Jimenez, both sentenced to die by musketry in December 1984. The two were among 18 persons arrested in December 1979 for plotting to kill Mr Marcos and other ranking civilian and military officials. The plot, code-named "Light-a-fire" movement, also sought to burn government facilities in Manila, the seat of national government, to destabilize the Marcos administration.

In a press statement, Defense Ministry spokesman Jose Flores said the temporary freedom of the two convicted terrorists was on the intercession of Manila Archbishop Jaime Cardinal Sin "for health reasons and medication."

News of the release from jail of Olaguer and Jimenez was reported last Wednesday by the ASSOCIATED PRESS in a Boston-dated story. AP said Olaguer made an over-seas call to his children in Boston to inform them of his temporary liberty.

Flores said Olaguer and Jimenez had pledged that they would make themselves available to military authorities when needed. He could not say how long the two prisoners would enjoy their temporary freedom.

Military authorities said the 'Light-a-Fire' Movement was busted by intelligence operatives in December 1980. Those arrested tagged Olaguer, a former business newspaper executive, as the leader of the movement composed of leftists and rightists opposed to the Marcos Government. The group's objective was to wage an urban guerrilla warfare in Manila.

COMELEC SETS RULES FOR OBSERVERS AT ELECTION

HK200607 Quezon City Maharlika Broadcasting System in English 0600 GMT 20 Jan 86

[Text] Foreign observers, including foreign correspondents, coming to Manila to cover the February 7 special election will not be given special privileges by the Commission on Elections. Comelec Commissioner Jaime Opinion said they are banned from entering any election precincts and they are not allowed to interfere in the conduct of the poll. Opinion said that foreign observers will have no access to election paraphernalia, neither the privilege of interfering in the counting of ballots.

The Philippine Government has invited foreign observers to come to Manila and observe how the country conducts a free, honest, and orderly election as part of its democratic process.

U.S. To Send Delegation

HK161247 Manila Far East Broadcasting Company in Tagalog 0000 GMT 16 Jan 86

[Text] The United States Government is expected to send a high-level delegation composed of some 200 members from the Congress and the White House to act as official observers or election watchers at the coming February elections in the Philippines. The delegation will be headed by Senator Richard Lugar, chairman of the Senate Foreign Relations Committee, and Representative [Dante Fascell], chairman of the House Foreign Affairs Committee. [Passage indistinct.]

Editorial on U.S. Observers

HK180201 Manila PHILIPPINES DAILY EXPRESS in English 17 Jan 86 p 4

[Editorial: "Imported Poll 'Watchers'"]

[Text] The sending of so-called election observers by American groups of dubious identity (although under the same State Department sponsorship) strains the avowedly friendly relations between the two countries.

Did the U.S. ever really give up its self-appointed role as policeman of the world, as it appeared ready to do after every major failure of intervention? The evidence shows it has not. On the contrary the U.S. is now trying to police more countries than ever, particularly in the Third World - those poor countries which are easy targets for destabilization after being manipulated from one economic crisis to another and "rescued" just in time to do the creditor's bidding.

It is not hard to see the connection between the structuring of our foreign loans and U.S. intervention. This may not have succeeded in destabilizing the government, but it at least has gotten us where the U.S. wants us - do this and do that or we wipe out all your credit.

It has taken all the diplomacy and the patience and forbearance of the Filipino leadership to weather the financial crisis set up by our supposed friends. Let's face it: A photo printed recently showing our monetary officials and the leaders' representatives finalizing agreement on the latest repayment plan coincides too neatly with the affirmation that a presidential election will be held, and will be watched by Washington-delegated "observers."

The Comelec has so far comported itself with dignity in handling the situation, a situation that has been forced upon our country at a delicate moment in our national life.

It reminds us of how the Bell Trade Act, which gave Americans parity rights and in effect robbing Philippine independence of its meaning, was imposed on the newborn republic as a condition for badly needed post-war rehabilitation.

There is a limit to what Comelec can allow the watchers to do without arousing the animosity of the Filipinos. That animosity will, of course, not be directed at Comelec alone.

U.S. NAVAL FORCE TO ARRIVE AT SUBIC BAY

HK171053 Manila TIMES JOURNAL in English 16 Jan 86 p 1

[By Romualdo Medina]

[Text] Olongapo -- An aircraft carrier, guided missile cruiser, at least two nuclear submarines and several smaller U.S. Navy ships are scheduled to arrive at Subic naval base next week.

Sources at Subic said the aircraft carrier USS Midway and her escorts which include destroyers, frigates, an oiler and cruisers are due to arrive at the base on Jan 21.

The Midway, which has its homeport in Sasebo, Japan, has a complement of 4,500 officers and enlisted men and carries more than 80 various types of aircraft including jetfighters, radar planes, anti-submarine aircraft and helicopters.

Arriving on Jan. 18, is the light guided missile cruiser, USS Blue Ridge, flagship of Vice Admiral Paul F. McCarthy, commander of the powerful U.S. Seventh Fleet. The Blue Ridge is scheduled to dock at Pier 15, South Harbor today. Admiral McCarthy's headquarters is also in Sasebo, Japan.

Sources said that some 2,000 U.S. Marines arrived in Subic last week allegedly for routine training. The marines are reported to have come from Okinawa.

Observers here believe that these U.S. Navy ships and the marines are part of the security force for American observers scheduled to arrive for the coming snap election on Feb. 7. It was not known how long the Blue Ridge and the Midway are staying at Subic Bay but usually reliable sources said that they will stay here until election day.

The USS Blue Ridge is the same ship that brought former South Vietnam Premier Nguyen Cao Ky and the U.S. Ambassador to South Vietnam to the Subic naval base after the fall of Saigon in 1975.

U.S. Navy Election Role Denied

HK171055 Manila Far East Broadcasting Company in Tagalog 1000 GMT 17 Jan 86

[Text] The arrival of the U.S. Seventh Fleet's flagship yesterday to Manila from Japan has nothing to do with the February elections here. This was clarified by Joseph (Macgruff), public relations officer of the USS Blue Ridge. He added that the ship's visit is routine and that the 12,000-ton flagship is scheduled to sail to Subic naval base in Zambales tomorrow. The spokesman also said that the primary duty of the ship is to maintain the balance of power and security in the region.

Editorial Wary of Navy Motives

HK180203 Manila TIMES JOURNAL in English 17 Jan 86 p 6

[Editorial: "Subtlety, U.S. Style"]

[Text] The current movement of American instruments of war in our midst which can only be described as very unusual is also very worrisome. Especially if one considers the American bent in the coming election which many U.S. leaders have made manifest rather determinedly, albeit in crude circumlocution.

First, there is the USS Blue Ridge, the flagship no less of the U.S. Seventh Fleet now berthed at South Harbor which, incidentally, is just a stone's throw from the U.S. embassy. Then, there are these reports: that a U.S. flotilla composed of the aircraft carrier USS Midway and her escorts which include destroyers, frigates, cruisers and an oiler are scheduled to dock at the U.S. naval base in Subic, Zambales, that some 2,000 battle ready U.S. Marines from Okinawa arrived in the base last week and that another large contingent of U.S. troops from Guam is to arrive there shortly.

There are also other reports about other American movements here which, although basically unconfirmed, are nonetheless as scary as those already confirmed.

What are the Americans up to?

All our reporters could gather from their sources at this point is that the ships are on routine call and the troops on routine training. Or that the U.S. Naval base in Subic may be the nearest jumpoff point for American troops in case trouble erupts in Libya or if they decide to use force against the regime of Col Muammar al-Qadhafi. The sources, Filipinos who claim to be quite knowledgeable about such movements acknowledge, however, that considering the proximity of the poll and the undisguised American intention to do everything to ensure that the election is clean and honest, meaning that the opposition must win, these movements are rather unusual. Of course, they are!

These developments have cropped up soon after our leaders told the Americans that they would welcome the presence of U.S. observers in our election. Already, some American lawmakers have let it be known that they are coming here, indeed, and that whether or not our brave men at the Commission on Elections will allow them, they will penetrate as many major precincts in the country as possible, meaning those in the supposed bailiwicks of the ruling party, and will try to stay there until all the votes are counted.

We have made known our sentiments toward these observers. In fact, we were even too accommodating toward them. Are we about to welcome the U.S. Marines and these powerful American instruments of war, too?

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